

The NATIONAL UNDERWRITER

Life Insurance Edition

INS. LAB.

AUG 12 1938 ¹³⁴⁰



SEAL OF THE SELECT

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Tenth Anniversary

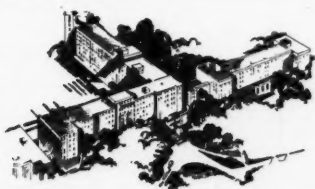
ÆTNA LIFE REGIONAL CONVENTIONS

TENTH ANNIVERSARY
REGIONNAIRES WILL
CONVENE AT THESE
BEAUTIFUL RESORTS

French Lick Springs—Indiana

Lake Tahoe—California

Chateau Frontenac—Quebec



August 18 to August 21

August 29 to September 1

September 11 to September 14

FRIDAY, AUGUST 12, 1938



THIS IS THE FOURTH in Metropolitan's new series of advertisements designed to give the public a clearer understanding of how a life insurance company operates. It appears in: Collier's, August 13; Saturday Evening Post, August 13; Business Week, August 13; Time, August 8; American Weekly, August 7; This Week, August 7; Forbes, August 1; Cosmopolitan, September; Nation's Business, August.

If it weren't for this book...

AWARDED an honored place in millions of homes all over the United States and Canada is a little book.

It is a premium receipt book in which an agent personally records small weekly premiums—frequently only five or ten cents—paid by persons of modest means for life insurance.

These people buy life insurance just as they do other necessities—in small amounts. If weekly premium insurance were not available, millions of them could afford no life insurance at all.

"Industrial insurance," as this type is called, is somewhat more expensive than other types of life insurance because it costs any insurance company more to handle. For example, company agents make regular calls at the homes of policyholders for the collection of premiums. Under an industrial life insurance policy on which premiums are collected for twenty years, an agent may make over a thousand such calls.

And the death rate of industrial policyholders is

40% greater than the death rate of those having standard ordinary policies—a fact which necessarily makes industrial insurance cost more.

Throughout the years, consistent progress has been made in liberalizing the terms of industrial insurance policies and providing more benefits for less cost. For instance, more than ten years ago Metropolitan introduced its Monthly Premium Industrial policy to reduce the cost for policyholders able to pay on a monthly basis.

Apropos of these efforts, the Insurance Examiners of the State of New York, after recently completing an examination of the Industrial Department of the Metropolitan, made this comment:

"As at present operated it (Industrial insurance) grants insurance at a cost low enough to compare favorably with the cost under Ordinary insurance and is broad enough in scope to embrace a very considerable portion of the total population."

In 1937, Metropolitan paid \$234,266,144 to In-

dustrial policyholders and their families. In their hour of need, these people of modest means found the little premium receipt book a friend indeed!

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Metropolitan Life Insurance Company

(A MUTUAL COMPANY)

Frederick H. Ecker, CHAIRMAN OF THE BOARD
Leroy A. Lincoln, PRESIDENT

1 MADISON AVENUE, NEW YORK, N. Y.



METROPOLITAN LIFE INSURANCE COMPANY
1 Madison Avenue, New York, N. Y. Dept. B-4
Please send me a copy of your booklet, "Industrial Life Insurance."

Name _____
Street _____
City _____ State _____

The NATIONAL UNDERWRITER

Forty-second Year—No. 32

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, AUGUST 12, 1938

\$3.00 Per Year, 15 Cents a Copy

Study Election Possibilities at Houston Rally

Top Positions Settled But Spirited Contest Looms Over Trustee Jobs

The straw hat politicians in the ranks of the National Association of Life Underwriters are studying these days the possibilities at election time in the Houston convention in September.

O. D. Douglas, Lincoln National, San Antonio, is chairman of the nominating committee. Certain of the committee's recommendations are foreordained. Holgar J. Johnson, general agent for Penn Mutual in Pittsburgh, who is now vice-president, will be the new president of the National association. C. J. Zimmerman, general agent for Connecticut Mutual in Chicago, who is now secretary, will be the new vice-president and will thus be in line for the presidency at the 1939 convention. So far, apparently, no one except Lara P. Good, Prudential, San Diego, Cal., has been mentioned for election as secretary and a good many observers believe that the committee will place Mr. Good in nomination for that position. Robert L. Jones of New York, general agent emeritus of State Mutual Life, will again be elected treasurer. He has held this position for many years. It has been intimated that Mr. Jones feels that the time is approaching when he should be relieved of this work and it is possible that the next term may be his last.

Terms of Six Expire

The terms of six trustees are expiring at this time. They are W. M. Duff, head of the Edward A. Woods Company agency of Equitable Society in Pittsburgh; Julian S. Myrick, manager of Mutual Life in New York City; John W. Yates, general agent Massachusetts Mutual, Los Angeles; E. W. Owen, manager Sun Life, Detroit; Paul F. Clark, home office general agent John Hancock Mutual; H. A. Hedges, general agent Equitable of Iowa, Kansas City.

Messrs. Duff, Myrick, Yates and Hedges are being boosted for reelection. Mr. Owen has announced that he will not be a candidate and he endorses H. K. Schoch, Detroit general agent for Aetna Life, for election as a new trustee. Paul Clark will not stand for reelection and it is understood that he favors the election of C. W. Wyatt of John Hancock Mutual in Boston.

Something of a complication arises because of the fact that three of the candidates for trustee at this time are New Yorkers, they being Mr. Myrick, who is a past national president; Earl Colborn, general agent for Connecticut Mutual in Rochester, and Sydney Wer-timer, Prudential manager, Buffalo.

Another who is in the running is E. G. MacDonald, Equitable Society,

(CONTINUED ON PAGE 18)

Commissioners' Committees Membership Announced

Frank N. Julian of Alabama, president National Association of Insurance Commissioners, has appointed the standing committees for the year, as follows:

* * *

STANDING COMMITTEES

Accident and Health.—Hobbs, Kan., chairman; Robertson, Mo., vice-chairman; Harrison, Ga.; Rummage, Ariz.; Goodcell, Cal.; Pew, Iowa; Lovejoy, Me.; Smrha, Neb.; Rouillard, N. H.; Britton, Tenn.; Justice, W. Va.; Neslen, Utah.

* * *

Blanks.—Robinson, O., chairman; Coulbourn, Va., vice-chairman; Hooker, Conn.; Haffner, Ill.; Thompson, Ind.; Speidel, Iowa; Higdon, Kan.; Rooks, Ky.; O'Connell, Mass.; Mitchell, Mo.; Guertin, N. J.; Collins, N. Y.; Woolford, Pa.; Harris, Tenn.; Huston, Wash.; Van Fleet, Tex.; McCann, Fla.

* * *

Examinations.—Read, Okla., chairman; Williams, Miss., vice-chairman; Harrison, Ark.; Blackall, Conn.; Boney, N. C.; Robertson, Mo.; Knott, Fla.; Earle, Ore.; Hunt, Pa.; Dunn, S. D.; Hanna, Md.; Bowen, Ohio; Bowles, Va.; Hobbs, Kan.; Sullivan, Wash.; Pew, Iowa; Ham, Wyo.

* * *

Taxation.—Holmes, Mont., chairman; Earle, Ore., vice-chairman; Harrison, Ark.; Daniel, Tex.; Newbauer, Ind.; Hobbs, Kan.; Hanna, Md.; Yetka, Minn.; Conway, La.; Cummings, R. I.; Smrha, Neb.; Harrington, Mass.

* * *

Unauthorized Insurance.—Erickson, N. D., chairman; King, S. C., vice-chairman; Hammond, Del.; Moor, D. of C.; Knott, Fla.; Newbauer, Ind.; Conway, La.; Rummage, Ariz.; Williams, Miss.; Schmidt, Nev.; Biel, N. M.; Earle, Ore.; Ham, Wyo.; Hemenway, Vt.; Dunn, S. D.

* * *

Valuation of Securities.—Pink, N. Y., chairman; Blackall, Conn., vice-chairman; Gough, N. J.; Palmer, Ill.; Pew, Iowa; Harrington, Mass.; Boney, N. C.; Bowen, Ohio; Hunt, Pa.; Daniel, Tex.; Lovejoy, Me.; Ham, Wyo.; Gauss, Mich.; Goodcell, Cal.

* * *

Group Hospitalization.—Hunt, Pa., chairman; Yetka, Minn., vice-chairman; Hammond, Del.; Goodpaster, Ky.; Moor, D. of C.; Rummage, Ariz.; Conway, La.; Lovejoy, Me.; Robertson, Mo.; Holmes, Mont.; Cummings, R. I.; King, S. C.; Neslen, Utah; Mortensen, Wis.; Harrison, Ga.

* * *

Laws and Legislation.—Bowles, Va., chairman; Sullivan, Wash., vice-chairman; Palmer, Ill.; Cochrane, Colo.; Goodcell, Cal.; Yetka, Minn.; Pink, N. Y.; Dunn, S. D.; Neslen, Utah; Hemenway, Vt.

* * *

Fraternal.—Hammond, Del., chairman; Smrha, Neb., vice-chairman; Pew, Iowa; Hobbs, Kan.; Robertson, Mo.; Schmidt, Nev.; Bakes, Ida.; Biel, N. Mex.; King, S. C.; Gauss, Mich.; Daniel, Tex.; Hunt, Pa.; Mortensen, Wis.; Rouillard, N. H.; Britton, Tenn.

* * *

Uniform Code.—Palmer, Ill., chairman; Pink, N. Y., vice-chairman; Goodcell, Cal.; Blackall, Conn.; Gauss, Mich.; Hunt, Pa.; Neslen, Utah; Sullivan, Wash.; Mortensen, Wis.; Pew, Iowa.

* * *

Life.—Cochrane, Colo., chairman; King, S. C., vice-chairman; Pink, N. Y.; Moor, D. of C.; Newbauer, Ind.; Hobbs, Kan.;

Gauss, Mich.; Bowen, Ohio; Neslen, Utah; Conway, La.; Gough, N. J.; Bowles, Va.; Britton, Tenn.; Palmer, Ill.; Blackall, Conn.; Harrington, Mass.; Pew, Iowa.

* * *

Sub-committee to study report on industrial insurance.—Bowen, O.; Bowles, Va.; Gough, N. J.; Britton, Tenn.; Conway, La.

* * *

Standardization of real estate appraisal forms.—Bowen, Ohio, chairman; Pink, N. Y.; Knott, Fla.; Daniel, Tex.; Goodcell, Cal.

* * *

Interstate Liquidation and Reorganization.—Pink, N. Y., chairman; Harrison, Ark.; Newbauer, Ind.; Yetka, Minn.; Holmes, Mont.; Smrha, Neb.; Britton, Tenn.; Hemenway, Vt.; Sullivan, Wash.; Ham, Wyo.; Goodcell, Cal.

* * *

Qualification and examination manual for the guidance of states requiring such examinations as a prerequisite to the issuance of agents' licenses.—Newbauer, Ind., chairman; Gauss, Mich.; Bowen, Ohio; Williams, Miss.

* * *

SPECIAL COMMITTEES

Sub-committee Fraternal Committee.—Charles Smrha, Neb., chairman; Hammond, Del., vice-chairman; Britton, Tenn.; Pew, Iowa; Hunt, Pa.

* * *

Mortality Table.—A. N. Guertin, N. J., chairman; Hooker, Conn.; Hughes, N. Y.; Thompson, Ind.; Houston, Wash.; John S. Thompson, Actuarial Society of America; C. A. Taylor, American Institute of Actuaries.

* * *

Insurance Publications.—Arthur J. Ham, Wyo., chairman; Earle, Ore., vice-chairman; Read, Okla.; Gough, N. J.; Hunt, Pa.

Grant Tells of English Life Insurance Practices

KANSAS CITY—Life insurance companies in England operate with a freedom from governmental restriction and regulation that is amazing to one familiar with American life companies, according to W. T. Grant, president Business Men's Assurance, who has just returned with Mrs. Grant from a three-month tour of Europe.

English companies are not restricted as to investments, and may buy and rent houses, purchase stocks, etc., Mr. Grant said. They make their own audits of their financial condition, although they are supposed to be examined once every five years by the board of trade. They do not promise to pay the same return on policies. Most of the companies there now are on a 2½ percent basis.

Mr. Grant was interested, and inquired in England if there was a trend there away from part time selling by solicitors, lawyers, bankers, etc. These "part timers" sell the bulk of English life company volume. The Sun Life is trying to establish the American plan of full time agents. The English system gives rise, Mr. Grant said, to a great deal of "horning in" and chiseling, which makes it difficult for a full time agent.

Life Office Card Being Announced for Annual Rally

Number of Interesting Features Will Be Presented by Management Association

NEW YORK — Program for the annual meeting of the Life Office Management Association to be held at the Mount Royal Hotel, Montreal, Sept. 26-29 is announced by Executive Secretary F. L. Rowland. The host company will be the Sun Life of Montreal. Among the prominent speakers will be President A. B. Wood of the Sun Life; G. D. Finlayson, Dominion superintendent of insurance; T. G. Woolford, chairman of the board Retail Credit Company, and Prof. S. B. Ackerman, head of the insurance faculty of New York University. One day will be devoted to an office machinery and equipment seminar, supplemented by an exhibit of the more recent developments in office equipment applicable to life insurance operations. The committee on office machinery and equipment will present several reports on their research conducted during the year.

Committee on Costs

Another feature will be the report of the committee on departmental and functional costs of which L. R. Menagh, Jr., assistant actuary Prudential, is chairman. This subject is arousing considerable interest among company executives. The committee will present a practical plan of classifying operating expenditures along departmental and functional lines.

Richard Boissard, vice-president of the National Guardian Life of Madison, Wis., is president of the organization. The program is as follows:

OFFICE MACHINERY AND EQUIPMENT SEMINAR

Monday Morning, Sept. 26

Report of chairman office machinery and equipment committee, George A. Drieu, assistant secretary Connecticut General.

Discussion of "Premium Billing Report." Discussion leader: John M. Brown, assistant secretary Canada Life.

"Recent Developments in Duplicating Equipment." Logan J. Massee, Massachusetts Mutual.

Noon—Luncheon and equipment exhibit.

Afternoon

"Applications of Keysort and Peg-Strip Analysis and Accounting to Life Office Operations." Thomas F. Meagher, coordinator New England Mutual.

Discussion of Report on "Sorting Devices, Time Recorders, Counting and Numbering Machines." O. D. Seely, standardization bureau Metropolitan Life.

General discussion.

Tuesday Morning, Sept. 27

General chairman, R. R. Coombs, assistant secretary Massachusetts Mutual.

(CONTINUED ON PAGE 8)

Views on Interest Rate for Policy Loans

By JOHN H. RADER
Statistician The National Underwriter

In a discussion of possible action on policy loan interest rates with actuaries of companies not operating in New York, four main points have been developed. There is a general feeling that the best interest of the policyholder will not be served by a decrease in the rate of interest on policy loans and therefore there will be no hurried action in that direction by companies not directly affected by the New York law. There has, naturally, been some discussion of the question in every home office but no serious effort has been made toward reaching a decision nor any definite action taken. In some quarters it is believed that there will be no need for action after this first flurry of publicity has passed over. It is no more than natural that a change in insurance statutes of a state so prominent as New York, would cause comment throughout the country and when this change affects policyholders in all parts of the country, the attention is even greater.

Precedent Has Been Established

There is some fear that this widespread interest may cause the legislatures of other states to introduce similar bills. It is this point which needs more careful watching than the few cases of competition between agents which may arise from what has always been considered a minor provision of the policy.

The tendency is to discount the advantage of the policy having a 5 percent loan interest over one having the present 6 percent rate because a reduction to 5 percent is quite likely to reduce a very profitable source of income for the companies, thereby making a higher premium cost necessary. As one actuary states it, "If most of the companies not licensed in New York stick to the 6 percent rate, then I doubt if the policy loan interest rate will be a serious factor in competition. A company with a 5 percent rate will have a higher net cost than a similar and equally well-managed 6 percent company, and the appeal of a lower cost should be effective with the more intelligent prospect."

Somewhat the same idea is expressed by another actuary, "Other things being equal, the making of policy loans at 5 percent by Company A will make its 'net cost' to the policyholder higher than that of Company B which makes its loans at 6 percent. In times of stress the policyholders, one would think, will tend to borrow from Company A first, lessening the strain on Company B, making it to that extent the stronger company."

With these two points are the well-informed agents of Company B placed at a disadvantage in selling? I doubt it. If other states will refrain from enacting similar laws, and if the companies not under the laws of New York State will adhere to sound principles in this matter, it will probably turn out to be of less importance to our business than at first appeared probable."

Summing up the situation there seems to be a general fear that someone outside the state of New York will start the ball rolling, thereby forcing all other companies to follow suit. On the other hand, none of these companies wants the 5 percent interest rate and it therefore seems unlikely that without further unexpected developments, any of these companies will wish to be the first to make such a move.

SITUATION AS VIEWED IN EAST

NEW YORK.—Though under no legal compulsion to do so, some life companies not operating in New York state probably not many at first will in

general voluntarily reduce interest rates on policy loans to 5 percent. At least that is the belief of some well posted observers here in the east. As in the case of the New York admitted companies, modification in the liberality of settlement options may be made at the same time, but this is more remote.

There is a threefold reason for some outside companies to reduce their policy loan interest rates: it would forestall to the 6 percent rate, betting that the legislature would not pass a law lowering the interest rate. In the latter course there was a possibility of keeping the 6 percent rate, which is by no means excessive for demand obligations as small as the average policy loan.

There were conferences among the companies which would be affected by a change in the New York law but the only one which went ahead and reduced its policy loan interest rate was the New York Life. The division of opinion was not so one-sided as might appear from this lineup. The possibility of general voluntary action was widely debated but in the end the New York Life was the only company sufficiently convinced of the desirability of voluntary action to make the change.

Laws Might Force Change

In view of the continuance of loan interest rate levels, it is not at all unlikely that if companies not doing business in New York do not voluntarily reduce the policy loan interest rates, the legislatures in a few states where they operate will follow the lead of the New York lawmakers. Since most of the companies not licensed in New York are on a nonparticipating basis the cutting of the policy loan interest rate from 6 percent down to 5 percent means a substantial slash in earnings which cannot be taken care of by future adjustments in dividends as in the case of participating companies. Against this, however, is the fact that no loans could be made at the new reduced rates until at least two years from Jan. 1, 1939. Even for some years later than that the volume of loans at the new rate would necessarily be trifling.

Voluntary Reduction Favored

It is pointed out, however, that voluntary reduction would gain a more favorable public reaction than one forced by laws which might very likely be enacted if the reductions not made voluntarily; and finally, by obviating the need for legal compulsion the way would remain open for the companies to return to the 6 percent policy loan interest rate if in the future the general interest level should rise to a point where an upward revision would logically be in order.

A year ago the same choices were open to the New York admitted companies as now confronts those outside this category. They had the alternatives of reducing the policy loan rate voluntarily and probably avoiding any change in the statute, thereby gaining a certain amount of public good-will besides leaving the way open for a future return to the higher rate.

VIEW FROM SOUTH

DALLAS, TEX.—So far as the Texas companies are concerned and undoubtedly those of the entire south, there is no disposition to reduce the rate of policy loan interest to 5 percent, so far as the immediate future is concerned. What may be done later on remains to be seen. The cost of doing business in the south and west has been for a long

time in excess of that of the north and east. This is true with all lines of business and life insurance is included. Many years ago loaning institutions in the south were charging 8 percent and 10 percent interest when the east was loaning money at a lower rate. Gradually the south and west veered around to a lower mortgage loan rate of interest and a banking rate as low as 4 percent and up to 6 percent was established. Executives here say that eventually the policy loan rate may go to 5 percent but it will be gradually done along the line of evolution much like the loaning rate has worked out before.

Some of the Texas companies in days gone by had a 5 percent policy loan rate. Then came the influenza epidemic, the war and the financial depression and it was necessary to increase the rate to 6 percent. The 6 percent rate seems to be in harmony with the general feeling here in the south.

WESTERNERS' OPINIONS

ST. PAUL.—Officials of western life companies are giving considerable thought to the policy loan rate question but no change in the prevailing 6 percent rate is imminent.

This is the opinion expressed by executives of western companies who have been in touch with one another. The feeling exists that there is no sound reason for falling in line with the eastern companies which under the New York state law must drop to a 5 percent rate. In fact, most officials say they can see plenty of reasons for not doing so and that they are prepared to go to the mat to fight such a move if it extends to the west.

Weak Stand Taken

"This policy rate problem is much more intricate than appears on the surface," said one executive. "It is not a question that can be answered by a glib yes or no. Personally, I think the New York companies took a very weak stand when the matter was before the legislature, but probably they had their own reasons for it. There are several fine legal points involved in this question. As I understand it the New York law applies only to policy loans made after Jan. 1, 1939. It is not retrospective and this might lead to difficulties with policyholders who have loans under the 6 percent rate. A reduction in the policy loan rate unquestionably means a reduction in the dividend rate to policyholders and here again there is a chance for trouble. The thousands of policyholders who borrow no money from the company and who want the maximum dividend possible might rightly protest a reduction in the policy loan rate which would cut down their dividend."

Policy Loan is Different

Another executive pointed out that the drop in the current interest rate on bonds, bank loans and mortgages is no sound reason why the policy loan rate should be dropped.

"If policy loans were made on the same basis as bank loans, then I would say, lower the rate," he explained. "But a policy loan is quite different from a bank loan or a mortgage loan. A policyholder may come to his company and demand a policy loan and under the law the company must give it to him. He does not have to pay the loan back on any specified date as he would a bank loan; in fact, need not pay it back at all as long as his policy is in good standing. Considering the conditions under which a policy loan are made I believe the 6 percent rate is fair."

"I am not interested so much in the large policyholder. As a rule, if he needs ready cash, he can go to the bank and get it. It is the average man we must consider in this matter and I believe that under the present policy loan provisions he is well off."

Low returns on investments make it imperative that the life companies retain the 6 percent rate on policy loans, this

Reed Opposes Read for Oklahoma Commissioner



TOM B. REED

Voters in the November election in Oklahoma will choose between two candidates for insurance commissioner whose names are pronounced the same, although spelled somewhat differently. Tom B. Reed of Oklahoma City will appear on the Republican ballot and Jess G. Read, who is now ending his third term as insurance commissioner, was chosen by the Democrats. Mr. Reed, who qualified last year as head of the Presidents Club of the Great Southern Life by writing \$1,037,000, is a member of the Million Dollar Round Table of the National Association of Life Underwriters. His second year renewal percentage in 1937 was 85 percent.

Vote U. S. True Bills for Hide-and-Go-Seek Insurers

Federal indictments were voted in Houston the other day against a number of "insurance" outfits and their operators who have apparently been playing "hide and go seek" with state lines. Information that the indictments had been returned was made known following the arrest in Houston of T. W. Bachus, who is named in the indictment as the head of a general agency at Shreveport, La. Others named in the indictment are A. D. Anderson, D. W. Crawford, H. M. Chadwick, Thomas W. Bachus & Co., Federal Underwriters Agency of Texas, Dixie Underwriters Agency of Marshall, Tex.; National American Underwriters Agency of Memphis; Fire Association of America and Southern States Indemnity of Huron, S. D., and Pelican Benefit Association of Shreveport.

The indictment charges that these various operators quoted very low rates for what purported to be insurance. Three-fourths of the revenue was diverted to the benefit of officials, according to the indictment. According to the indictment, Bachus formed the Thomas W. Bachus Company in 1934 to handle business for all the companies and that suits brought by policyholders were passed from one company to another "as the condition of the suit dictated" until they came to be held by the Pelican Benefit Association. That association was put out of business in June, 1936, by an injunction, according to the indictment. Apparently most of the operations have been in Texas.

official argued. He said that he would be inclined to oppose any change in the rate even to meet competition from rival companies.

Persistency Is Good Despite the Economic Trend

Better Sold Life Business Found to Be Staying on the Books

Despite the unsatisfactory new business record for the first six months, it is gratifying to note that most of the companies showed gains in insurance in force. The decline in sales paralleled general business conditions and it was only logical to expect the persistency would also show a like decline. However, of the companies reporting their first six months' experience to THE NATIONAL UNDERWRITER 79 percent showed gains in insurance in force in 1938, compared to 94 percent in 1937, 83 percent in 1936, 64 percent in 1935, 56 percent in 1934 and 22 percent in 1933. General business conditions were at a comparatively high level in 1937 and 1938 so it is not fair to make a comparison of persistency with these years. General conditions in 1938 parallel those in 1935 and 1934, so the companies' 79 percent gain record in 1938 compares extremely favorably with the 1935 64 percent and 1934 figure of 56 percent. The companies have made considerable progress since the 22 percent low in 1933.

Lack of Money Big Factor

The lack of money is the predominant reason for the lapsing of policies, so the higher lapse ratio in depression times is not due to any weakness on the part of life insurance but due to the general economic trend. There is, however, an improvement in the persistency due to the recruiting of better agents who in turn are selling quality business. Advocates of more careful selection of agents can feel gratified that the educational work is now showing concrete results.

Agents are being educated on securing quality business. They are being urged to sell specific needs, which in itself is an important factor in persistency. If a policy is sold for a definite purpose, the holder can visualize his need for it and he will make an effort to keep it in force even when his financial condition is strained. If he looks at his policy as an education for Johnnie or \$100 a month for his wife for so many months, instead of as a \$1,000 policy, he is more apt to skip on some other item in his budget and pay his premiums.

There has been comparatively little rewriting of business during the recession period to affect the lapse ratio. Most of those who are receptive to the rewriting argument "know all the answers" now and little headway is being made in this regard.

The public's greater appreciation of life insurance due to its excellent depression record is undoubtedly contributing to the improved persistency record. In 1928 and 1929 life insurance was bought rather than sold and it was much of this business which came off the books in 1931 to 1933. People who lapsed some of their policies at that time but have a few left are undoubtedly making a great effort to hold on to them during the present depression. The business which was sold since 1930 has been actually sold. People didn't buy life insurance during that period unless they actually needed it, and by selling them on those needs agents have been putting persistent business on the books.

Companies and general agents are following up the mechanics of the lapse situation much more carefully nowadays. Most of them insist on agents following up last day of grace notices and general agencies are watching orphan policies closely.

Reports of SEC Parley with Insurers Unfounded

Douglas Denies He Summoned Executives to Discuss Methods of Pursuing Inquiry

Quite a stir was caused by publication in daily papers last week that Chairman W. O. Douglas of SEC had summoned leading life companies to send representatives to Washington to discuss the procedure to be followed by SEC in its investigation of insurance investments. According to the reports the meeting was to have been held the latter part of last week.

Mr. Douglas immediately denied that there was any ground for such a report. The statement was made that Mr. Douglas has not yet consulted with any insurance executives but that he might do so at some indefinite time in the future.

The commission is studying the best methods to follow in conducting the inquiry which is a phase of the broad federal study of monopoly.

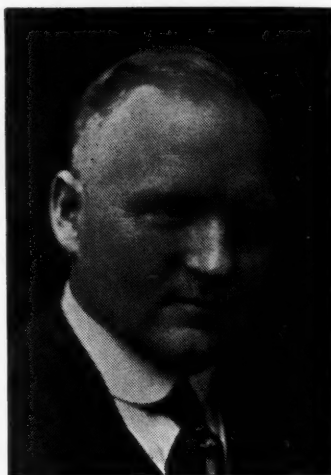
Three Procedures Considered

Three methods of acquiring information, any one or more of which may be adopted, are said to be under consideration in the SEC.

The first is by questionnaires to be sent to the companies; the second is by public hearings and the third by private hearings. Regardless of whether it is determined to hold hearings, private or public, it is practically certain a questionnaire will be issued, although officials of the commission denied that one has as yet been prepared. Any hearings held would be for the purpose of supplementing the information developed by the questionnaire.

Insurance people have been wondering
(CONTINUED ON PAGE 8)

Seeks Nomination for Governor in Wisconsin



C. L. MILLER

C. L. Miller, 57, of the Wisconsin Agency of the Continental Assurance in Madison, Wis., has thrown his hat in the political ring and believes he has a good chance to capture the Republican nomination for governor. He has had over 20 years experience in life insurance, most of it in Wisconsin. He has held such positions as supervisor and agency vice-president although he now devotes full time to personal production at which he has had much success.

Mr. Miller's friends believe he will lend color to the campaign. For years Madison has looked to "Dad" Miller for Memorial Day exercises and G. A. R. events. He belongs to the Sons of Veterans, Spanish-American War Veterans and Veterans of Foreign Wars.

Houston Programs for Section Meets Are Announced

Selection, Training and Motivation to Be Discussed at Managers' Session

Selection, training and motivation will be the key subjects covered by the General Agents & Managers Section of the National Association of Life Underwriters at an all day meeting in Houston on Sept. 20. It precedes the general session which will start Sept. 21.

The old executive committee will meet at 8:30 a. m. to elect six new members to succeed those whose terms are expiring. Chairman Philip B. Hobbs, Equitable Society manager in Chicago, will report on the year's activities.

The general session starts at 9:45 with Chairman Hobbs or Carroll C. Day, Pacific Mutual Life general agent at Oklahoma City, vice-chairman, presiding. Paul Speicher, Research & Review, will introduce Dr. Verne Steward who will discuss the "Setting of a minimum mental ability standard in the selection of life underwriters."

At 10:45 Mr. Hobbs will introduce the new members of the executive committee. Kellogg Van Winkle, Equitable Society manager for southern California, will conclude the morning session with "Training New Men." There will be no formal luncheon.

Schwemm to Talk

Earl M. Schwemm, Chicago manager Great West Life, will discuss the use of the C. L. U. study course in the training of older men. Training course material will be given those in attendance. Mr. Schwemm is a former president of the Chicago C. L. U. chapter. The Life Agency Officers Association's \$30,000 cooperative fund for underwriter training will be discussed. Under the plan the fund will pay \$10 of the \$20 registration fee for the C. L. U. course.

At 2 o'clock Mr. Hobbs will explain the use of agency clinics in training of older men devised by the Sales Research Bureau and the Diamond Life Bulletins. Homer G. Hewitt, Houston, Northwestern National manager for Texas, will be the general agent for the clinic which will include a cast consisting of a prospect, stenographer, new agent and old agent. Olivia Orth, insurance dramatist of Chicago, will assist.

Present Bureau Cup

At 3 o'clock Henry K. Schoch, Aetna Life general agent at Detroit, will present the Sales Research Bureau's cup for the best local general agents and managers section in the country.

E. B. Thurman, Chicago general agent New England Mutual Life, will close with "Motivation and Stimulation of Older Agents."

At 4:30 p. m. the new executive committee will meet and elect a new chairman.

The executive committeemen whose terms are expiring are: Carroll C. Day, Pacific Mutual Life, Oklahoma City; W. H. Andrews, Jr., Jefferson Standard, Greensboro; Guy J. Gay, Sun Life, Denver; John H. Russell, Pacific Mutual Life, Los Angeles; H. K. Schoch, Aetna Life, Detroit; and J. F. Trotter, Mutual Life of New York, Kansas City.

Everybody who registers for the managers section will be given a stenographic report of the proceedings and C. L. U. study course material prepared by Frank C. Wigginton, Bankers of Iowa manager at Pittsburgh.

Ben S. McGiveran has been substituted as a speaker during the Million Dollar
(CONTINUED ON PAGE 9)

WE PULL TWO REMINDERS

To an Oklahoma Pennmutualist came these two incidents in a recent day's work:—

A prospect in one of the banks. Had called on him two or three times, but made no headway. When back on the street, he tried to find the flaw in his workmanship. Suddenly it came to him,—argument had shattered and ended his organized sales talk, and he had lost the lead. So, he walked back into the bank, started in immediately at the beginning of the appropriate sales talk, dominatingly went through it, and closed for a \$5,000 Retirement Income.

A prospect in the state's capitol. Gave him a selected sales talk. Unsuccessfully. Turned to go, but the occupant of the next desk, an elbow away, who had heard the sales talk, stopped him and said, "Say, I'll take one of those."

We pull two reminders from these incidents. One, that good old, sound old admonition, "Don't argue with your prospect!" The other, "A prospect at each elbow." And we add that the underwriter is prudent who sticks closely to a tested organized sales talk.

* * *

THE PENN MUTUAL LIFE INSURANCE CO.

WM. H. KINGSLEY, President

Independence Square

PHILADELPHIA

A SERVICE BEYOND THE CONTRACT—

(In which every-day National service draws praise in an examiner's report.)

Representatives of six states recently completed examination of this Company. Following is a quotation from their report:

"A thorough inspection was made of the claim files and it was ascertained that the company pays all just claims promptly and deals fairly with its policyholders and their beneficiaries. It appears that the management of the Company has placed special emphasis on the prompt payment of claims.

"The Field Force has also been instructed to make special efforts to search out death claims under lapsed policies by endeavoring to locate all such policies and ascertaining whether or not under the Paid-Up or Extended Insurance clause any sum is due.

"This policy of the management is highly commendable and from a review of the claim record, it appears that this has actually been put into effect and that great care is taken to see that it is followed throughout the field."

**The NATIONAL LIFE AND
ACCIDENT Insurance Co., Inc.**



HOME OFFICE, National Building, NASHVILLE, TENN.

C. A. CRAIG, Chairman of the Board
C. R. CLEMENTS, President



THE SHIELD
COMPANY

Policyholders Council Man Makes Objection

A few weeks ago M. H. Siegel, New York City, director Policyholders Advisory Council, sent a letter to life companies leaving an impression that THE NATIONAL UNDERWRITER had carried an article to the effect that they were in the habit of disclaiming liability on total and permanent disability claims. As a matter of fact, the article referred to racketeering disability claimants and quoted from an address of a man in New York City before an insurance organization in which he called attention to the methods that these racketeers followed. The statement was made by the speaker that owing to the energetic prosecution of racketeering frauds in the New York City district the number of disability claimants had been greatly reduced.

In the letter that the Policyholders Advisory Council sent out to companies there was a broad statement which attempted to leave the impression that THE NATIONAL UNDERWRITER had printed an article charging companies with ignoring disability claims. It is needless to say that THE NATIONAL UNDERWRITER is not in sympathy at all with Mr. Siegel and his Policyholders Advisory Council which, in the opinion of this publication, has unnecessarily disturbed policyholders regarding their insurance. Today there are a number of outfits of this kind that are injecting themselves into a well ordered business and endeavoring to cause confusion in policyholders' minds.

Mr. Siegel's Comment

Mr. Siegel in a letter to THE NATIONAL UNDERWRITER quotes paragraphs from the examination report of the New York department in regard to one of the large companies so far as its total and permanent disability claims were concerned. Mr. Siegel refers to the re-

port on one company and evidently uses this as a general criticism of all. In commenting further, he said:

"As you well know, examination reports are always couched in mild terms where examiners find it necessary to criticize insurance companies. The mildness of the criticism used in these reports is deceptive and it seems to us that a thorough airing of the entire disability business would be of exceeding interest to the insurance-buying public. Your publication, instead of impugning my motives and implying that I have somehow sought to attain a personal objective in my letters to the companies, would have appeared in a more favorable light had you examined into the merits of the point I made, and which you unwittingly prompted by the article in your June 3 issue.

Quotes from Article

"If the insurance companies instigated the prosecution of fraudulent disability claims for the undeclared purpose of discouraging legitimate claimants made for the equally reprehensible purpose of influencing juries, they have admirably succeeded, as is evidenced by your own words, in which you state 'Claimants Can't Win Verdicts in Disability Suits. . . Juries in contested disability cases, who have traditionally sided with claimants, have swung around to an opposite view in the New York City area, as a result of the federal government's prosecution of organized disability faking. . .'

"It is also worthy of note that of companies licensed in New York, to which we wrote, only six have thus far been frank enough to reply, but we note that one or more of them have very evidently hastened to complain to you, either about your improper editing, or about the fact that we had the temerity to raise the issue at all."

New Iowa Hand-Book Gives Complete Data for the State

The Underwriters' Hand-Book of Iowa for 1938 has just been published by THE NATIONAL UNDERWRITER. This is a most complete reference book on this state insurance-wise and contains a mass of valuable and interesting data.

The book gives the complete list of all the agents licensed by the department together with the companies they represent, members of the agency, other business transacted, if any, date established and address. The list is arranged alphabetically by towns. The companies operating in the state are listed together with their officers, financial statements, field men, etc., as well as statistical data showing the record of insurance in the state for the past several years. The book covers all branches—fire, casualty and life, mutual, stock and reciprocal.

Insurance Organizations

Other information includes the list of insurance organizations, a resume of the insurance laws of Iowa, town classification for fire protection, lists of insurance attorneys and adjusters, a record of the special lines written by fire and casualty companies and lists arranged alphabetically of the fire field men, casualty and life general agents and managers.

There are the same number of life licenses issued by the Iowa insurance department this year as in 1935—3,995. In 1936 there were 3,869 and in 1937, 4,030. During the past four years the number of all licenses has increased from 47,935 in 1935 to 52,451 in 1938.

There is now, according to this new book, \$1,651,074,198 life insurance in force in Iowa comparing with \$1,592,744,517 last year. Insurance paid for during 1937 totaled \$243,967,388, as compared with \$200,257,535 in 1936.

Hughes Inducted in Office at Springfield Agency

William E. Hughes, Springfield, Mass., general agent for the Mutual Benefit Life, was officially introduced by H. G. Kenagy, agency executive, at a dinner there. It also marked a farewell to T. E. Trombley, who is retiring after 27 years as general agent. Mr. Hughes was welcomed to Springfield by H. D. Leslie, general secretary of the chamber of commerce, by C. K. Litchard, president of the Springfield General Agents & Managers Association, by H. W. Abrahams for the life underwriters association and by R. A. McConn for members of the Springfield agency. Mr. Kenagy, who charged Mr. Hughes with responsibility for building a worthwhile and cooperative agency organization, also introduced as speakers W. E. Johnson, Jr., Mutual Benefit general agent for New Hampshire and Vermont, and T. E. Trombley, retiring general agent.

More than 55 persons attended the dinner, including members of the agency and their wives; practically the entire membership of the Springfield General Agents & Managers Association; H. L. Woods, Mutual Benefit general agent at Hartford; J. B. Thompson, general agent, and Ralph Butler of the Albany, N. Y., agency.

Oscar H. Nelson, Albert Lea, Minn., has won the gold watch offered by the Old Line Life of America in the App-a-Week Club for having written at least one application each week for five consecutive years. Mr. Nelson has been with Old Line Life since 1932, becoming a member of the App-a-Week Club a year later. Since then he has averaged over three applications each week in the five years.

Why Acacia Agents Enjoy Unusual FINANCIAL SECURITY

Acacia offers:

- | | |
|---------------------------|---------------------------|
| I. First Year Commissions | IV. Disability Benefits |
| II. Monthly Income | V. Death Benefits |
| III. Quality Bonus | VI. Retirement Privileges |

Acacia's Opportunity Contract is a distinctly different plan of compensation, years removed from the experimental stage.

It makes an agent's income more regular.

It gives greater reward for quality business.

It helps an agent increase his income, even in depression years.

It eliminates an agent's fears about the financial future of himself and family.

This contract puts a premium on permanency of employment and offers an incentive to build on quality business. Earnings do not decrease in later years as they would under the usual renewal contract; instead, an Acacia agent increases his compensation every time he adds \$25,000 to his insurance in force.

An agent working under an ordinary renewal contract has two handicaps—an automatic decrease in renewal commissions every year after the tenth, and lessened earnings in later life through decreased production because of reduced activity.

Instead of having to contemplate the position in which he would ordinarily find himself as a result of these two handicaps, an Acacia agent can look forward to a steadily increasing monthly income and a substantial competence for his old age, aided and encouraged by the Company through reduced production requirements at sixty and again at sixty-five.

Passing years *do* take their toll, and lessened physical energy *is* reflected in decreased earnings.

Acacia realizes this fact and helps the agent solve his old-age problem.

He can participate in a voluntary and mutually-contributory retirement plan.

He is safeguarded in his daily work against the ever-present hazard of permanent or even temporary total disability.

His family is assured of the continuance of income for a period of years after his death.

Everything possible has been done to lessen worry or concern about the future, thereby enabling the agent to work with maximum effectiveness.

Acacia is proud of this great forward step — increased compensation, permanency of employment and security in old age, through the Acacia Opportunity Contract. It is all described in an interesting booklet

ACACIA

MUTUAL LIFE INSURANCE COMPANY

WILLIAM MONTGOMERY, President

Branches in Sixty Principal Cities

Home Office, Washington, D. C.

CHARTERED BY THE CONGRESS OF THE UNITED STATES IN 1869

Measure the
JEFFERSON STANDARD
by these
STANDARDS of QUALITY

★

Leading all major U. S. life insurance companies in rate of interest earned—5.1%.

★

Leading all major U. S. life insurance companies in rate of interest paid on funds left with the company--5% paid every year since organization in 1907.

★

One hundred million dollars paid to policyholders and beneficiaries since the first policy was issued in 1907.

★

Assets increased last year at the rate of a half million dollars per month. Total assets, \$75,000,000.

★

Leading with a modern aggressive sales program featured by outstanding merchandising plans,

★

The Largest Ordinary Life Insurance Company in the South

★

**JEFFERSON STANDARD
 LIFE INSURANCE COMPANY**

Julian Price, President

GREENSBORO, NORTH CAROLINA

Death of Leader



DR. GEORGE B. VAN ARSDALL

LOS ANGELES—Dr. George B. Van Arsdall, one of the best known insurance men of Los Angeles, associated with the Kellogg Van Winkle general agency of the Equitable Society, died there, after a brief illness. Funeral rites were at Glendale, Aug. 9. Dr. Van Arsdall was a lecturer on life insurance subjects and was formerly attached to the Equitable home office staff as educational director and conducted agency schools.

Minnesota Mutual Wins Reversal of Kentucky Case

The Kentucky court of appeals has reversed judgment that was given by the lower court in favor of one Meidinger vs. Minnesota Mutual Life for brokerage commissions of \$771 to which Meidinger alleges that he is entitled. The higher court found that the lower court erred in peremptorily instructing the jury to find for Meidinger. A new trial was ordered. Meidinger alleged that on May 19, 1936, he agreed with Duffin, Minnesota Mutual agent, to submit to the insurer an application of Mary Cralle for a life annuity contract in the sum of \$15,000 for which Duffin agreed to pay him commission of 5½ percent on the life premium and 3 percent on the annuity premium. The policy was issued and Meidinger complained that Minnesota Mutual declined to pay the commission.

Minnesota Mutual set up that its brokerage commission contract was with Duffin individually and not with Meidinger. The evidence is that Minnesota Mutual had given notice that on and after May 20, 1936, it would not accept applications for this character of contract from or through brokers. Duffin and Meidinger both knew of this notice.

According to the Kentucky court of appeals, while there is some evidence conducing to show that Duffin did make a contract with Meidinger as alleged, the evidence on the whole strongly indicates otherwise and conduces to show that this was merely a private understanding between Meidinger and Duffin and not intended to bind Minnesota Mutual but to be kept a secret from it. The court concluded that an issue was made as to whether the contract alleged in the petition was actually made, which should have been submitted to the jury.

Kinch Predicts Upturn

DETROIT—An upturn in the volume of new business written will develop with the coming of the fall months, A. Kinch, agency superintendent of the Manufacturers Life of Toronto for United States agencies, predicted in an

informal address before the 40 members of the Detroit branch at their annual outing at Lakelands Country Club.

Mr. Kinch said the trend of general business conditions points to an improvement in the sale of life insurance after the usual summer slump. Manager Donald Machum was host. Among the guests was H. B. Thompson, secretary-counsel Associated Life General Agents & Managers.

O'Malley's Candidate Defeated

Governor Stark of Missouri won a victory over Tom Pendergast, Democratic leader of Kansas City, and former Superintendent O'Malley in the primary election when his candidate for the Democratic nomination for a place on the state supreme court, Judge Douglas, defeated Circuit Judge Billings of Kennett by upwards of 125,000.

The O'Malley compromise of the Missouri fire insurance rate litigation in May, 1935, which was later rejected by the Missouri supreme court, was one of the issues. O'Malley made a personal appeal to the agents and brokers to support Billings if they approved his administration of the Missouri department.

Ron Stever Now Life Member

Ron Stever, district manager for Equitable Society in Pasadena, Cal., has now completed his qualification for the third consecutive year in the Million Dollar Round Table and thus becomes a life member. He has just completed a term as president of the Pasadena Life Underwriters Association and is now serving as national councillor for that association. He has been appointed general chairman for the Pasadena Community Chest campaign for 1938. In recent weeks he has addressed sales congresses at Portland, Los Angeles and San Diego.

Reliance Life at Charlotte

Ted S. Tharin, formerly connected with the Jefferson Standard Life at Columbia, S. C., has been made manager of the Reliance Life at Charlotte, N. C.

Mr. and Mrs. Theodore M. Riehle of New York City and their son, Theodore, Jr., are sailing on the S.S. "Saturnia" on Saturday, Aug. 13, for Venice via the Azores, Lisbon, Gibraltar, Algiers, Palermo, Naples, Patras and Ragusa. From Venice they will go by motor to Naples via Florence, Perugia and Rome, returning to New York on the S.S. "Saturnia" from Naples. Mr. Riehle is former president National Life Underwriters Association.

NEWS OF WEEK

Much speculation is heard about the possibilities in the election of new officers and trustees at the annual meeting of the National Association of Life Underwriters. **Page 1**

President F. N. Julian, National Association of Insurance Commissioners, announces the membership of the committees for the year. **Page 1**

Program is announced for the annual meeting of the Life Office Management Association at Montreal. **Page 1**

The prevailing sentiment in the west seems to be opposed to changing to a 5 percent interest basis on policy loans. **Page 2**

Dr. George B. Van Arsdall, former educational director Equitable Society, is dead. **Page 6**

Managers and women's sections announce programs for Houston meeting of National Association of Life Underwriters. **Page 3**

Reports that SEC had summoned insurers to confer on methods of conducting investigation of insurance investments proves unfounded. **Page 3**

Policyholders National Life of Sioux Falls, S. D., takes steps to change from mutual into a stock company. **Page 11**

Places 23 Policies in One Home, 35 in Family

P. J. Farris of the General American Life since 1922 has placed 23 policies on Anthony J. Koch, general store proprietor of Cadet, Mo., and members of his immediate family. The group insured includes three generations, Mr. Koch's mother, Mr. and Mrs. Koch and their 13 children. In addition Mr. Farris has insured Koch's brother, John Koch of De Soto, Mo., his wife and their five children, and a third brother, Joseph, also of De Soto, for a grand total of 35 policies bearing the Koch name.

Insurance Companies Hit by New Michigan Tax

The Michigan board of tax administration has notified insurance companies that they are subject to the so-called use tax act which was passed at the last session of the Michigan legislature and became effective Nov. 1, 1937. This tax applies to the storage, use or consumption of tangible personal property purchased in any other state or country for the purpose of storing, using or consuming in Michigan.

The application of the act to insurance companies, according to the tax board, would include such properties as office equipment and supplies (i. e. stationery, application blanks, policy forms, records, etc.) sent into Michigan from the home office and materials for the construction and maintenance of buildings. The insurers are supplied with a copy of the act, its rules and regulations and forms for making reports.

Map San Francisco Course

SAN FRANCISCO—A two-year insurance course is to be established in San Francisco Junior College this fall, according to Nelson F. Davis, general agent Guardian Life, chairman of the committee for cooperation with California schools of the San Francisco Life Underwriters Association. Three advisory committees will serve, representing fire, casualty and life lines. W. C. Marsh, instructor in insurance at Armstrong College, will be in charge. Students will be given half day service in company offices following 18 months of theory.

Reliance Life Reinstatement Plan

A new conservation plan permitting reinstatement of certain lapsed policies by redating where the insured are unable to pay all arrears as required by the regular reinstatement provisions is announced by the Reliance Life of Pittsburgh. The new regulations apply to policies that have been lapsed over one year, but not more than five years, and which had been in force one year or less by the regular payment of premiums. This is effected by reinstating and re-issuing the policy, dating the new contract back from the date of the approval for reinstatement for a period equal to that in which premiums were paid, thus giving the policyholder credit for the premiums already collected.

Makes Nashville Headquarters

Slater Brown, agency manager of the Equitable of Iowa at Memphis for the last three years, has been transferred to Nashville to take charge of the entire state from that headquarters. L. C. Wade, district manager, will have charge of Memphis.

Don Carlos, Nichols Are Named

Two of the insurance groups have officially named their representatives on the joint tribunal of lawyers and insurance men to treat complaints that arise in connection with collisions between lawyers and adjusters in the field of in-

surance adjustments. H. S. Don Carlos of the Travelers has been named to represent the International Claim Association and V. A. Nichols of Washington, D. C., has been named as the representative of the National Association Independent Insurance Adjusters. Other organizations that will appoint representatives are: National Board, Association of Casualty & Surety Executives and American Mutual Alliance.

Would Extend Moratorium

LANSING, MICH. — A proposal to extend Michigan's mortgage moratorium, effective since 1933, beyond its present expiration date of Nov. 1, is engaging attention of life companies.

Governor Murphy has received an urgent request to permit an extension by summoning the legislature into special session before the expiration date. If the legislature is summoned to provide additional welfare funds, it is possible that the governor will open up the session to consideration of the mortgage moratorium matter.

President's Cup to Dumas

The President's Cup of the General American Life has moved to Fort Worth, Tex., and will remain in the possession of the Fred Dumas agency until Sept. 30, at least. The agency won

this honor by the largest percentage of increase in paid-for premiums for the second quarter in life, accident and health and group insurance combined. The previous holder of the cup was the Matthew Brown agency, San Antonio, Tex.

Cowden Franklin Life Leader

Guy A. Cowden of Springfield, Mo., general agent of the Franklin Life, led the field in his company in paid business for the club year ending July 1. His agency had the largest number of members present at the agency convention.

Texas Agencies Make Progress

The seven agencies of the Jefferson Standard Life in Texas produced \$6,958,000 the first six months. The San Antonio agency led with \$2,288,000. The combined business of the seven agencies—San Antonio, Dallas, Houston, Fort Worth, El Paso, Wichita Falls and Amarillo—is about 5 percent ahead of the 1937 production.

Six Months' Sales in Canada

TORONTO — New ordinary life insurance sold in Canada and Newfoundland the first six months of this year totaled \$190,049,000, according to figures given out by the Canadian Life Insur-

ance Officers Association, based on returns by 18 companies having 87 percent of the total insurance in force. Sales for June totalled \$35,120,000.

Chester Fischer Encouraged

SPRINGFIELD, MASS.—Returning from a trip through part of the midwest where he visited several agencies, C. O. Fischer, vice-president Massachusetts Mutual, observed a definite feeling of business encouragement and heard many reports of noticeable improvement. The occasion of his visit was to help celebrate the first anniversary of the appointment of the general agents in St. Louis, Chicago and Indianapolis.

While in Chicago, Mr. Fischer delivered the closing address for the managers school of the Life Insurance Sales Research Bureau at the Edgewater Beach Hotel, on "The Agency Department Looks at the General Agent's Job."

Open Port Arthur, Tex., Office

Cherry & Cherry, San Antonio, general agents Bankers Life of Iowa, because of the growth of their business in the Port Arthur, Tex., territory, have opened an office at 612 Adams building, Port Arthur, with W. C. Austin in charge.

"Business Is Good"—Minnesota Mutual

NEW PAID BUSINESS the first six months of this year was over 20% ahead of the same period last year. Much of the increase can be attributed to the FAMILY POLICY, our "All in One" Plan which insures the entire family under ONE contract. In addition—

WE OFFER:

1. A liberal agency contract.
2. A plan for financing your agency.
3. Accounting methods to guide you.
4. Proven plans for finding—training agents.
5. A liberal financing plan for your agents.
6. A unique supervisory system.
7. Organized Selling Plan.
8. Unusually effective selling equipment.
9. Policies for every purpose: Regular—Juvenile—Women—Group—Payroll Savings, etc.
10. Low Monthly Premiums.

A \$217,000,000.00 Mutual Company, 58 years old with an understanding, cooperative Home Office.

THE MINNESOTA MUTUAL LIFE INSURANCE COMPANY

Saint Paul, Minnesota



The WALRUS



Said

QUESTION: If a Bathing Beauty weighs 100 pounds in her swim (?) suit, how many Bathing Beauties would it take to balance a scale, on the other end of which was piled all the structural steel to be used in the new million-and-a-half-dollar Bankerslife Home Office building?

ANSWER: Just 40,000 Bathing Beauties. Bankerslife, late last month, placed the order for the 12,000 tons of beams, girders, plates, connections, rivets and bolts which will form the framework of its new edifice. The structural steel will be fabricated in Des Moines, from 3 trainloads of rolled steel sections out of the Chicago-Pittsburgh steel areas.

—BLC—

More than 8,000 of the 30,000 Postmasters appointed between March 4th, 1933, and May 12th, 1938, are women!

—BLC—

"We are in a position to perform every type of service for our salesmen," boasts Bankerslife's Chicago Agency, following a demonstration of that ability on July 30th. When Agency Cashier Wayne Simpson took unto himself a wife on said date, the officiating minister was a member of the Chicago Agency, Rev. Morris J. Rogers; nuptial music, in the form of two vocal solos, was supplied by Bankerslifeman David R. Meredith, while attendants and well-wishers at the ceremony included almost the entire Chicago Agency personnel.

—BLC—

Needing metals for war purposes, Japan is replacing iron mail-boxes with concrete.

—BLC—

Watching his church—the old Central Presbyterian—being torn down to make way for the new Bankerslife Home Office building in Des Moines, Editor Henry H. Haynes, Underwriters' Review, was moved to write an editorial for his publication, from which we quote:

"A church and a life insurance company—the one administering to our spiritual and the other to our physical needs. It seems fitting that a life insurance Home Office should rise on the site where the old church once stood."

BANKERS LIFE
DES MOINES
Established 1879 **COMPANY**

Utah Insurance Leader Seeks Public Office



F. E. WALKER

F. E. Walker, president of the Walker-Hiner agency of Salt Lake City and one of the most prominent insurance men in the state, is a candidate for state senator in the Democratic primaries Sept. 13. He is resident vice-president of United Benefit Life and his agency represents that company as well as Mutual Benefit Health & Accident. He has received the endorsement of numerous insurance groups.

Mr. Walker is president of the Utah State Association of Life Underwriters and is a past president of the Salt Lake Life Underwriters Association and the Utah Life Managers Association. He is chairman of the C. L. U. Club of Salt Lake City and is a director of the extension class on life insurance at the University of Utah. He is a member of the Salt Lake City Accident & Health Club.

Life Office Card Being Announced for Annual Rally

(CONTINUED FROM PAGE 1)

Welcome, Arthur B. Wood, president Sun Life of Canada.

"Present Social and Economic Trends and Their Probable Effect Upon the Life Insurance Business," Richard Boissard, vice-president National Guardian.

"Management," G. D. Finlayson, Dominion superintendent of insurance.

"The Responsibility of Educational Institutions in Developing Future Office executives," Saul B. Ackerman, professor of insurance, New York University.

Afternoon

Chairman: E. E. Reid, managing director London Life.

"Management's Responsibility in Building and Maintaining Office Morale," T. Guy Woolford, chairman of the board Retail Credit Co.

"Assembling Material for Balance Sheet and Gain and Loss Statement," H. M. Sarason, assistant actuary General American Life.

Discussion leader: C. H. Yardley, assistant to comptroller Penn Mutual.

"Preparation of Standard Forms for Optional Settlements," Robert J. Lawthers, head benefit department New England Mutual.

Discussion leader: Edward M. Keys, assistant secretary Metropolitan Life.

Report of test committee, chairman, Miss Marion A. Bills, assistant secretary Aetna Life.

Evening.—Reception and banquet.

Wednesday Morning, Sept. 28

Chairman: Louis R. Menagh, Jr., assistant actuary Prudential.

This session will be devoted to a report of the activities of the departmental and functional costs committee the past year. A suggested procedure

for the cost studies will be presented and cost findings will be discussed.

"Scope and Practical Uses of Departmental and Functional Costs Data," Louis R. Menagh, Jr., assistant actuary Prudential.

"Technique and Procedure for Cost Studies—Large Companies," R. R. Benjamin, assistant actuary, Metropolitan Life.

"Technique and Procedure for Cost Studies—Small and Medium-sized Companies," W. C. Damuth, planning supervisor Home Life; Willard D. Holt, assistant secretary Provident Mutual.

"Investment Cost Studies," M. H. Levita, statistician, Fidelity Mutual; R. E. Heilmuller, general comptroller Acacia Mutual.

Business session and presentation of Institute fellowships.

Luncheon, Sun Life building. A description of Sun Life world-wide organization will be presented by Arthur B. Wood, president.

Afternoon

Members and guests will be escorted through the Sun Life building. Arrangements will be made for those wishing to play golf or engage in other forms of recreation.

Thursday Morning, Sept. 29

Chairman: A. A. Rydgren, president Continental American.

"Life Company Employees' Responsibility in Public Relations," Eustace Brock, secretary Great-West Life.

"Home Office Control of Agency Expenses," Henry Bossert, Jr., manager agency research department Provident Mutual; J. P. McDonald, agency assistant Northwestern Mutual.

Discussion leader: J. H. Denman, agency assistant Massachusetts Mutual.

Afternoon

Chairman: Edward E. Duckworth, comptroller Sun Life.

"Development and Operation of a Vestibule School in an Insurance Office," G. E. Mecherle, secretary State Farm Life, Bloomington, Ill.

Discussion of "Report on Clerical Job Evaluation," chairman, Gordon A. Hardwick, vice-president Penn Mutual.

Discussion leaders: Members of standing committee on clerical salary study. This discussion will consist of a re-

view of the techniques of job analysis, salary standardization, periodic ratings, the point system of job ratings, etc., as presented in the report which will be sent to member companies in advance of the meeting. Experience and techniques followed in other types of office institutions will be included in the discussion.

Reports of SEC Parley With Insurers Unfounded

(CONTINUED FROM PAGE 3)

ing who it was that inspired the various articles that appeared at about the same time recently purporting to convey the inside information that the SEC intends to conduct its insurance investigation along sensational lines, perhaps even to the extent of challenging the mathematics of insurance. Such articles were written by Pearson & Allen, Kintner & Alsop; the same sort of stuff appeared in the Whaley-Eaton letter. There was a paragraph to the same effect in the magazine "Ken." Apparently some of the younger men in the SEC would like to go on a life insurance fishing expedition and turn the inquiry into as big a disturbance as possible. However, Mr. Douglas, it is stated, has been very discreet and has given no indication of what his intentions are. Insurance people hope that Mr. Douglas will be able to keep the investigation on a dignified plane.

Contingent Endowment Issue

Executives of some of the southern companies are concerned because of the increase in sale in several states of so-called contingent endowment contracts. The problem has been referred to the American Life Convention. The writing of such business is permitted in South Carolina, Georgia, Florida and Alabama. In other states it is outlawed as a gambling proposition. Among the companies selling the contract are Unity Life of Columbia, S. C., and Preferred Life of Birmingham.



Now..PACIFIC MUTUAL JUVENILE INSURANCE

With the addition of a complete line of new, geared-to-the-need Juvenile Policies, Pacific Mutual's unusually wide range of personal coverages now serves the entire family unit.

**LIFE
ACCIDENT & HEALTH
JUVENILE**



Houston Programs for Section Meets Are Announced

(CONTINUED FROM PAGE 3)

Round Table hour on the main session program Friday, Sept. 23. He takes the place of F. R. Olsen, Northwestern Mutual Life, Minneapolis. Mr. McGiveran is with Northwestern Mutual at Eau Claire, Wis.

FELLOWSHIP LUNCH

Louis A. Johnson, assistant secretary of war, will deliver the feature address at the fellowship luncheon which will close the Houston convention of the National Association of Life Underwriters. He will fly to Houston after appearing as a speaker at the American Legion convention in Los Angeles.

The fellowship hour, which was inaugurated last year at Denver in the form of a huge luncheon, has met with such success that it is rapidly becoming a National association institution. At this session the new officers, trustees, past national presidents, national headquarters staff and host association officers and committee chairmen are introduced.

Walter Jenkins, prominent Houston song leader, will preside over the musical part of the program.

WOMEN'S CARD

Seven individual speakers and a forum discussion will comprise the activities of the day-long women underwriters' meeting at the Houston convention of the National Association of Life Underwriters, Sept. 19-23, according to Beatrice Jones, Equitable Society, program chairman.

For the first time since a special day has been set aside for women at the convention, the women underwriters and the women's quarter million dollar round table will meet jointly throughout the day, which this year will be Tuesday, Sept. 20. The quarter million group will hold a special dinner meeting the previous evening, plans for which are being matured by Chairman Helen Rockwell, National Life of Vermont, Cleveland.

"Woman Prospect" Is Theme

The morning session will be given over chiefly to a discussion of the activities of women agents, and will end with the first of a series of four selling talks. After a special luncheon, the afternoon session will be devoted entirely to the problems of women agents, under the theme of "The Woman Prospect."

Helen Summy, Equitable Society, St. Joseph, Mo., chairman national committee on women underwriters, will be in the chair for the morning session, and Beatrice Jones will preside during the afternoon.

The full program is:

Tuesday Morning

Welcome to Texas.—Mrs. Phil Arbuckle, Travelers, Houston.

Response.—Sara Frances Jones, Equitable Society, Chicago.

Quarter Million Dollar Round Table Activities.—Helen B. Rockwell.

Introduction of the Program Chairman.

"Prospecting Through Direct Mail."—Alice E. Roche, Provident Mutual Life, Philadelphia.

Luncheon.—Mrs. Phil Arbuckle, chairman Houston committee on women underwriters, presiding.

Afternoon Session

"The Breadwinner."—Grace Metcalfe, John Hancock Mutual, Boston.

"The Woman of Wealth."—Bernice Meistroff, Guardian Life, Kansas City.

"Self Pensions."—Alberta Allen, Massachusetts Mutual, St. Louis.

Forum discussion.

The 1938 *Unique Manual-Digest* is the best statistical source book buy of the year. \$5. National Underwriter.

COAST

Reinsurance Procedure In California Is Clarified

LOS ANGELES—Commissioner Goodcell announces that an agreement has been reached between his department, the state board of equalization and the insurance companies, which clarifies the situation in regard to taxes on reinsurance premiums. Recently the department notified the companies that they should add the tax on adjusted 1935 and 1936 reinsurance differences to the 1937 net premiums for assessment.

At a recent meeting in Sacramento attended by representatives of all three interests, the proper procedure was outlined in an opinion issued by the attorney general to the state board of equalization. It says:

"Upon filing a return showing that a company paid to another admitted company for reinsurance certain amounts, the amount so paid constitutes a legal deduction from the gross premiums of the insurer so reporting. As to such reporting company, the only instance where subsequent adjustments can be made, so as to charge back to such company any part of the reinsurance premiums previously reported as ceded to another admitted company, is where it is found that such was not the fact. Neither your board nor the insurance commissioner has authority, however, to charge back to such ceding company the reinsurance premiums previously reported by it because of the failure of the reinsuring company to include the same in its report to the insurance commissioner and by him reported to you."

Prudential Honors McTaggart

DENVER—The Prudential is celebrating Testimonial Month in honor of Glen McTaggart's 20th anniversary as manager of the ordinary department here. A sales drive through Colorado, New Mexico and Wyoming, with prizes for most "apps" written, will continue through August.

Union Central New Offices

LOS ANGELES—Manager M. S. Trueblood and Associate Manager H. S. Belden of the Union Central Life held open house Aug. 5 on the occasion of the formal opening of their new offices in the Edwards & Wilkey building, 609 South Grand avenue. The branch office controls the operations in southern California and Arizona, and also is the focal

point of Pacific Coast operations, Mr. Trueblood being coast inspector of agencies. More than 350 visited the offices during the afternoon to inspect them and partake of the hospitality. The offices are handsomely furnished and are arranged to give the most convenient service to the office personnel and to the policyholders of the company.

Court Gives Goodcell Control

LOS ANGELES—When Commissioner Goodcell made his first official visit to the Los Angeles office of the insurance department, court orders were entered by Superior Judge Wilson completing the transfer of control from

former Commissioner Carpenter to the new commissioner of all the companies under liquidation, reorganization or rehabilitation.

Among these are the Pacific Mutual Life, Great Republic Life, Gibraltar Casualty, Crown Indemnity, Automobile Owners Indemnity Underwriters, Merchants Casualty Association.

In the Pacific Mutual case the order places Mr. Goodcell in control of the capital of the new company through the trustee board, and also makes him a trustee in place of Mr. Carpenter. It puts him in Mr. Carpenter's stead in all matters of litigation now before the courts, or that may come before the courts for disposal.

A SOUND PARTNERSHIP

YOU AND THE SUN LIFE ASSURANCE COMPANY OF CANADA

HEAD OFFICE: MONTREAL

An example of press advertising recently released by the SUN LIFE OF CANADA

LIFE REINSURANCE—

STANDARD AND SUBSTANDARD

North American Reassurance Company

Lawrence M. Cathles, Pres.

99 John Street, New York

EDITORIAL COMMENT

Investigation of Insurance Companies

THE insurance business as a whole does not fear any investigation by a public body if it is conducted along business-like, sane and non-spectacular lines. The SECURITIES & EXCHANGE COMMISSION of Washington, D. C., is to make an examination of insurance largely, as we understand it, from the investment standpoint. That is, the SEC desires to probe into the investment policy of insurance companies and ascertain whether these companies exert an untoward influence over outside corporations and finance in general.

Anyone can go into the field of any industry or enterprise and pick out some special feature and by enlarging and exaggerating it can leave the impression that something is wrong with the entire structure.

As we see it, insurance in its various aspects is conducted along well ordered, business-like and honest lines. The officials regard their positions as trustees, this particularly being the case in life insurance. It is true that there is some exploitation but this is confined largely to a

very small element. The state insurance commissioners could tell the SEC that 95 percent of the insurance companies supervise themselves. They really do not need any regulation. It is the 5 percent that causes all the difficulty but these 5 percents cut but little figure from an investment standpoint.

Therefore, the investigation will center around the larger companies that are conducted in a most satisfactory manner. However, as is the case with all public investigations, there is, unfortunately, a political aspect, a desire to work publicity in order that the people at large may get the impression that something is being done to cleanse the stables, that evils are to be eradicated and that the party in power is the savior of the day. Any probe of this kind is publicity seeking, sensational and more or less spectacular. That being the case, an investigation is to be deplored and its justifiable ends are defeated. An investigation worth while, bereft of all sensational episodes, might well be constructive. Otherwise it becomes destructive.

Women Should Defend Life Insurance

VICE-PRESIDENT PERCY H. EVANS of the NORTHWESTERN MUTUAL LIFE, in speaking before the women guests who were in attendance at the recent meeting of its agents association, brought out the fact that life insurance is very essentially a women's affair because it is devoted to so large extent to the placing of safeguards about them and their children. The very fact that women are the chief beneficiaries of life insurance makes them the big factor

in life insurance operations. They, after all, constitute the great body who will participate in the proceeds. Therefore, in any untoward and unfair attack on life insurance, Mr. EVANS made the suggestion that the women of the country should rise in its defense. After the sacrifice has been made for their benefit the structure should not be undermined by termites, chiselers, exploiters and those with sinister and mercenary motives.

Tragic Lesson in Hero's Widow

LIFE insurance men see a valuable lesson in the plight of Mrs. GRIZELDA H. HOBSON, widow of Rear Admiral R. P. HOBSON, who became a national hero when he with a crew of seven volunteers sank the "Merri-mac" in Santiago harbor in June, 1898, during the Spanish-American war in order to bottle up the Spanish fleet. Congress allowed her a pension of \$30 a month on his death. Mrs. Hobson at the time of her

marriage in 1905 in Louisville came into national prominence.

In a letter to Congress she states that the pension is her main means of support. For instance, when Admiral Hobson died his estate was valued at less than \$5,000. He left a little life insurance and Mrs. Hobson said that if that is gone before Congress raises the pension to \$100 a month she will be in dire distress.

Inviting More Governmental Interference

H. W. SCHAEFER of New York City, president of the NATIONAL ASSOCIATION OF INSURANCE BROKERS, a man of sound business principles, who is interested in promoting the best interests of all in insurance, in some recent remarks pointed out the danger of insurance people, whether in the sales organization or in administra-

tive office, running to the legislature or state insurance commissioners, seeking statutes or rulings to govern this or that. Primarily those asking for governmental aid are sincere in what they are trying to do. They desire to stop up leaks, bring about reform, cure some of the evils. However, many of these grievances could be

settled within the insurance ranks themselves.

Mr. SCHAEFER said that when these problems are taken to the government they simply invite further interference. Undoubtedly those in public office, when they are appealed to, are glad to respond. They are encouraged to take on more terri-

tory. So far as insurance regulation is concerned, the fact that it has gone much further than originally intended is due very largely to insurance people themselves who have encouraged the extension of supervisory activities. The less that is asked of the government the better for insurance as a whole.

PERSONAL SIDE OF BUSINESS

G. J. Gold, leading producer of the Connecticut Mutual Life, with the John A. Ramsay agency in Newark, who has been ill at his home, is slowly recovering. He will be confined to his home for the rest of the month.

James F. Little, vice-president and actuary of the Prudential, is recovering from a streptococcus infection at his home in Maplewood, N. J. He underwent an operation several months ago.

George W. Lord, with the claim department at the home office of the Mutual Benefit Life, has rounded out 40 years of continuous service with the company.

Riley G. Cunningham, Metropolitan Life manager at Wichita and a past president of the Kansas Life Underwriters Association, and Mrs. Cunningham have returned from a three weeks vacation trip by motor through Minnesota and Canada. Mr. Cunningham took the vacation to celebrate the completion of 24 years with his company, all in Kansas.

Dr. C. E. Herron, associate medical director Ohio State Life, is taking a post-graduate course in the study of the heart under Dr. Paul White at Harvard.

Mrs. William Stedler, wife of the New York City resident vice-president of the "Insurance Field," was seriously injured in an automobile accident at West Hempstead, L. I., when the car, being driven by their son, Alwin, was struck by a truck. Mrs. Stedler suffered a fractured arm and jaw, and was in the Nassau Hospital at Mineola, until she was removed to her home at Woodhaven, L. I. Her condition is now much improved.

Miss Esther Sharpe, senior actuarial clerk in the New York department at Albany, started Tuesday on the first lap of a 3,000-mile trip that will end at the altar, sailing from New York for England where she will be married Aug. 18 to R. S. Cooke of the Royal Air Force.

Commissioner Dan C. Boney of North Carolina is bereaved owing to the death of his father, H. F. Boney, age 79, who died at his home at Kinston, N. C.

Ross R. Cole, who is appointed by General Manager Klingman of the Equitable Society as assistant manager of the Houston territory, was for several years field supervisor of the Amicable Life in San Antonio and Houston. He is a director of the Houston Life Underwriters association. He is prominent in the American Legion and is a captain in the officers reserve corps. He is state chairman of the legion's safety committee. Mr. Cole is a member of the

Houston committee that is making arrangements for the annual convention of the National Association of Life Underwriters in his city.

Isador Rauh, agent of the Equitable Society in Cincinnati, who died last week, was one of the large producers. He became an agent in 1910 and at one time was a million dollar a year man. He qualified every year for the Quarter Million Club.

John A. Stevenson, executive vice-president Penn Mutual Life, has become president of the Friends of the University of Pennsylvania Library. The purpose of the organization is to aid Thomas S. Gates, president of the university, in making the university library a center for scholarly and business research. His idea is to expand the library's facilities so that a person working on a particular subject can easily obtain a complete picture of just what information is available on the topic and can have brought quickly to the university library whatever material is contained in the 200 or more libraries scattered throughout the Philadelphia area.

Agents of the San Francisco agency of the Union Central Life under the management of J. W. Rivers are putting forth extra effort in August in honor of R. L. Stephenson, general agent, who was actively in charge of the agency for more than 20 years prior to the appointment of Mr. Rivers as manager. Mr. Stephenson still retains the title of general agent and spends his time in personal production for the agency.

Donald E. McLeod, 61, special inspector of the Mutual Life of New York for the eastern territory, including New England and Canada, for the past 20 years, died at the Massachusetts General Hospital in Boston. For many years Mr. McLeod was in the inspection department of the postoffice department and had spent some time in Mexico and other parts of the continent for the Mutual Life.

R. Henry Lake, 59, general agent Equitable Society in Memphis, Tenn., died there. He became general agent in 1921 after the death of his father, Richard P. Lake, a pioneer in life insurance. He entered the Equitable organization in 1907 in the agency managed by his father.

W. T. Grant, president Business Men's Assurance, and Mrs. Grant have returned to Kansas City after a three months' trip abroad. They were met in New York by their daughters, Miss Esther Grant, who resides in that city, and Miss Frances Grant, together with Miss Verena Baumert, secretary to Mr.



THE NATIONAL UNDERWRITER

LIFE INSURANCE EDITION
PUBLISHED EVERY FRIDAY

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO. Wabash 3704

EDITORIAL DEPT.: C. M. Cartwright, Managing Editor. Levering Cartwright, Asst. Man. Editor.
News Editors: F. A. Post, C. D. Spencer. Associate Editors: D. R. Schilling, J. C. O'Connor.

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CINCINNATI OFFICE—430 E. Fourth St., Tel. Parkway 3140. Louis H. Martin, Mgr.; Abner Thorp, Jr., Director Life Ins. Service Dept.; C. C. Crocker, Vice-President.

NEW YORK OFFICE—123 William St., Tel. Beekman 3-3952. Editorial Dept.—G. A. Watson and R. B. Mitchell, Assoc. Eds. Business Dept.—N. V. Paul, Vice-Pres.; J. T. Curtin, Resident Manager.

ATLANTA, GA., OFFICE—550 Trust Company of Georgia Bldg., Tel. Walnut 5867. W. M. Christensen, Res. Mgr.

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Subscription Price \$3.00 a year in United States and Canada. Single Copies, 15 cents. In Combination with The National Underwriter Fire and Casualty, \$5.50 a year. Entered as Second-class Matter June 9, 1900, at Post Office at Chicago, Ill., Under Act. March 3, 1879.

NEWS OF THE COMPANIES

Changing to a Stock Company

Policyholders National Life of Sioux Falls, S. D., Has Filed Amendment to Its Articles of Incorporation

The Policyholders National Life of Sioux Falls, S. D., has filed an amendment to its articles of incorporation, changing into a stock company, with 50,000 shares, at a par value of \$10 each.

The Policyholders National has assets \$1,219,073, founders fund \$94,354, surplus \$158,362. Its income last year was \$464,224 and disbursements \$297,494. It increased its surplus \$35,242. It has in force non-participating \$2,434,847 and annual dividend \$10,921,974. The interest earned net on its assets was 3.7. Its mortality ratio was 28.8.

The Policyholders National started business Nov. 24, 1919.

The original plan contemplated a change from a mutual to a stock company when the accumulated surplus would permit creating capital of \$150,000 together with sufficient net surplus over and above all other liabilities. The directors decided to make a change in the plan of policy being sold and in July, 1926, passed a resolution creating a funders' fund for the purpose of changing from mutual to a stock at a later date, the policy contract to be sold from that time on having attached a coupon of \$30 per \$1,000 due on the payment of the six years' premiums which could be used by the policyholder in purchasing funders' certificates issued on funders' fund created by the resolution. The certificates bear not over 6 percent interest and the transfer to the stock basis was to be made when the fund equaled \$100,000. It will be seen that on Dec. 31, the funders' fund amounted to \$94,354 and since that time it has reached the \$100,000 mark. The Policyholders National is licensed in South Dakota, North Dakota, Minnesota and Nebraska.

New Kansas Life Owners' Plans

LINCOLN, NEB.—F. E. Card, W. S. Adams and T. S. Allen are the Lincoln men who have purchased a controlling stock interest in the Kansas State Life of Topeka. Mr. Allen, who has been made president, is in Minnesota on a vacation trip. His law associate, H. J. Requate, who becomes a director of the Topeka company, says the purchase was not made with the idea of merging with any Nebraska company or of removing the headquarters to Lincoln, at least for the present. Mr. Card and Mr. Adams are heads of the State Security Company. Several months ago they formed a life company for the purpose of bidding for the business of the Cosmopolitan Old Line Life, when it was offered for sale by the courts, but dissolved the corporation when the Cosmopolitan was awarded to the Lincoln Liberty Life.

Pioneer National's New Setup

H. W. Colmery, who has been elected president of the Pioneer National Life of Topeka, Kan., helped organize the company originally and has been counsel and a director. He will not give up his law practice but will give the company a great deal of time and be quite active in its management.

All other directors and officers remain unchanged. H. M. Motter, secretary-treasurer, will take over the active management of the company as assistant to Mr. Colmery.

Highlanders Action Held Up

LINCOLN, NEB. — District Judge Shepherd has cited the Nebraska department, the Royal Highlanders Mutual Life and several groups of policyholders of that company to show cause why they should not be restrained from proceeding with any pending litigation until a suit brought by H. E. Brown and Frank

Morris, for themselves and other policyholders, is heard.

The suit is for a court order that \$2,500,000 of the surplus of the Highlanders should not be distributed to policyholders. While it was pending the department issued an order for distribution of \$1,508,000, and from this the company appealed. The court said it was questionable whether the department had any authority to make a distribution order of any amount after the courts had acquired jurisdiction through the Brown and Morris suit.

Old Line Life's Half Year

The Old Line Life of America, Milwaukee, showed a gain of \$542,000 in admitted assets the first six months, bringing the June 30 figure to \$21,092,783. Insurance in force is \$78,224,658. New paid life business decreased 5 percent, compared to an average decline of 22.5 percent nationally. Gross income for the half year was \$1,837,106, an increase of \$97,753. Disbursements included \$750,000 paid to policyholders and beneficiaries, and \$88,000 in taxes.

Adds to Home Office Building

The Mutual Life of Waterloo, Ont., is erecting a third head office building addition. It will cost upwards of \$250,000 and it is expected to be ready for occupancy in June, 1939. The plans call for an addition 142 by 68, entirely of steel, concrete and fireproof, comprising

four floors and sub-basement. A particular large amount of window space is planned to provide a daylight building. When the original building of the present office was first occupied in 1912, there were 39 employees, 14 still being on the staff which now totals 375. W. H. Somerville, general manager; A. E. Pequegnat, assistant general manager, and Secretary H. M. Cook are among those from the 1912 structure.

Doubles Home Office Space

MONTGOMERY, ALA.—The All States Life has doubled its home office space, signing a five-year lease, with a five-year renewal option, on the entire premises at 116 Catoma street. For three years the company has occupied only the second floor, but now will occupy both floors and a separate building in the rear.

The premium income increased from \$186,000 in 1933 to \$567,000 in 1937, and this year is expected to approximate \$1,000,000. The home office staff has increased to over 50 persons.

Would Oust Burial Association

ST. LOUIS—Suit has been filed by Circuit Attorney Miller seeking to oust the Provident Burial Association of St. Louis from doing business in this state.

Mr. Miller charges that although the association was organized as a benevolent non-profit group, it "is now and has been for a long time operated solely and exclusively as a life insurance company" and is being operated in the interests of its agents, officers and affiliated undertakers.

He alleges that its policies purport

"Our Supplemental Agreement Service
has made the purpose of life insurance secure"

STATEMENT BY A
VICE PRESIDENT OF THE COMPANY



Route 4, York
Pennsylvania
June 11, 1938

The Mutual Benefit Life Insurance Company
Newark, New Jersey

Dear Sirs:

When my husband died eight years ago, it was a question in my mind whether I could keep my family of four children together, but the fact that I was receiving life insurance at the time caused me to try to keep the family intact.

We have also kept our home, and even made great improvements in it, until now we have the modern conveniences to help make life easier. Had it not been for the insurance our home would have been sold. Because of the income benefits I received from your company I have been able to give my children the things they needed and also the things they desired. We have always had a car to go wherever we wanted. We could live healthily with proper food and wise medical care, though it was seldom needed. I was able to give the children books and music for their cultural enjoyment.

This spring one of my children graduated from college and will go on to medical school next year. Another has completed her first year of college, and still another will begin college in the fall. It is true through life insurance benefits that I have been able to keep my children and also to give them what they needed to fit them for life.

I cannot thank you enough for all you have made possible.

Most gratefully yours,

Mary M. P. H.

From an
Unsolicited
Letter

FOUNDED  IN 1845

The Mutual Benefit
LIFE INSURANCE COMPANY
NEWARK, NEW JERSEY

Grant. The party motored west and visited branch offices at Columbus, O., Indianapolis, and Springfield, Ill.

While in London Mr. Grant produced four applications for National Security Life, which is affiliated with B. M. A.

Frank R. Maffei, Butler, Pa., has completed 8½ years as a member of the App-a-Week Club of the Ohio State Life.

Earl Vance, Bankers Life of Iowa representative in territory surrounding Great Falls, Mont., doesn't depend on "horse and buggy" transportation when he is in a hurry to see a prospect or deliver a policy. He flies his own plane. A few days ago he flew to Zortman—250 miles east of Great Falls—to make personal delivery of a \$10,000 policy.

When C. O. Fischer, vice-president of the Massachusetts Mutual, attended a meeting of the St. Louis agency which he formerly headed, he found himself the honored guest at a surprise party, celebrating his 47th birthday anniversary. General Agents A. E. Veith and R. D. Lowenstein had set the stage in advance. The sales personnel devoted two weeks of effort to the production of business as a special honor to Mr. Fischer. A large birthday cake was presented to Mr. Fischer, with felicitations of the agency staff, including the clerical personnel.

H. E. Rosebrough of Huntington, Ind., general agent of the Washington National of Evanston, Ill., enjoys a remarkable record of service. He was formerly with the Michigan Mutual Life, which was taken over by the National Life, U. S. A. and the latter was absorbed by the Hercules Life of Chicago, which the Washington National recently purchased. The extent of Mr. Rosebrough's service came to light in the recent settling of a death claim on an old Michigan Mutual policy. It showed that he sold this man a 30-year endowment \$1,000 policy in 1889. In 1891, he sold the same man a \$1,000 40-year endowment and finally he wrote a \$2,000 ordinary life on the same life in 1904. This was paid as a death claim on July 15. During a period of almost 50 years all the premiums were paid to Mr. Rosebrough personally and all settlement checks were personally delivered by him.

Abbey Holds Texas Meetings

W. R. Abbey, assistant agency secretary Aetna Life, has just completed a series of agency meetings at Dallas, Houston and San Antonio, Tex.

Former Commissioner of Indiana Is Dead

Clarence C. Wysong, 49, former Indiana commissioner, died at his home at Indianapolis, having been taken ill at a hospital while visiting a friend. He served as commissioner during 1926-1930, when he was succeeded by John C. Kidd. Mr. Wysong was active in the National Convention of Insurance Commissioners, having been elected president in the fall of his last year in office. He was a close friend of Jess G. Read, Oklahoma commissioner and secretary for many years of the commissioners' association, a friendship which was begun overseas in the world war.

Born and reared near Newcastle, Ind., he attended DePauw University and graduated from the Indiana Law School. After practicing law at Minot, N. D., he returned to Indiana and entered law practice. He was elected a member of the legislature, which opened the way to greater political activity and his appointment as insurance commissioner. Since leaving that office he has specialized in insurance law and has had a number of retainers for insurance companies. He served for a number of years as judge advocate general in the state militia with the rank of colonel.

THE
GUARDIAN LIFE
INSURANCE COMPANY
OF AMERICA
NEW YORK CITY



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☐ Send sample direct mail folders only.

Name Company

Address City State



AN "APP" A DAY THE CALEMETER WAY

to have a paid-up value commencing with the second year and to be paid up in full after the 20th year whereas in fact it does not have sufficient assets and does not maintain any reserve to provide the benefits due under its policies as they mature.

Gains for Life & Casualty

At a meeting of directors of the Life & Casualty, President A. M. Burton reported a decided increase in business in all departments over the like period of last year. Foskett Brown, president of Gray & Dudley Company, Nashville, was elected a director.

COMPANY MEN

Is Made Agency Manager

Joe Durham Heads the Production Department of the National Old Line Life of Little Rock

G. M. Lamberson of the National Old Line Life of Little Rock announces the appointment of Joe Durham as superintendent of agencies. The company op-



JOE DURHAM

erates on the general agency plan. It is licensed in Arkansas, Tennessee, Mississippi and Louisiana. First Mr. Durham will give his special attention to the home state. He has been branch manager for the Jefferson Standard Life at Little Rock for the last six years. In 1923 he launched the Lamar Life of Jackson, Miss., in Arkansas and for the following nine years had charge of its business in that state.

New Sales Supervisors

The Columbus Mutual Life has appointed R. G. Smith, formerly associated with his brother, Paul M. Smith of the New England Mutual at Columbus, and H. R. Wilharm of Pittsburgh, who has been with the Penn Mutual, as home office sales supervisors.

Senior Nylics Number 702

In the Senior Nylic edition of the "Nylic Review" of New York Life, Chairman T. A. Buckner announced that as of Jan. 1, 1938, the number of Senior Nylics was 702. At the end of 1916 there were 171 Senior Nylics drawing monthly Nylic checks and at the end of 1926 there were 342. The average monthly Senior Nylic income is \$96.75. The largest monthly payment is \$744.22 and the smallest \$19.87.

New York Life, Mr. Buckner observes, carries as a liability a sufficient reserve to insure payment of these monthly checks during the lifetime of these Senior Nylics.

SALES MEETS

Occidental Life Announces Production Club Officers

The Occidental Life of Los Angeles has announced the officers of its production clubs. They are:

Leading Producers Club—President, Paul McCarthy, general agent Davenport, Ia.; first vice-president, F. J. Longo, agent, Los Angeles; second vice-president, Hoyt M. Leisure, general agent, Los Angeles. All won their places on the basis of new premiums paid.

Los Conquistadores Club—President, Frank J. Longo; first vice-president, Rex W. Laws, agent, Los Angeles; second vice-president, Hoyt M. Leisure. Mr. Longo won his post as the leading producer of the entire field force. Mr. Laws won his place on persistency of business, with 100 percent. Incidentally he is the oldest agent of the company in years served, having just celebrated his 31st anniversary as an Occidental man. He is also a life member of the Leading Producers Club. Mr. Leisure won his place on the basis of paid premiums and persistency.

The convention will be held Aug. 22-24 at Vancouver, B. C.

J. R. Kruse, home office representative Occidental Life of California with headquarters in Chicago, announces that 15 agents from the four states over which he has supervision—Illinois, Indiana, Ohio and Michigan—have qualified for the Vancouver convention. The Occidental Life recently moved into enlarged quarters in the Conway building there.

Lamar Life's Convention Is Held in New Orleans

The Lamar Life held its annual convention in New Orleans this week. Jesse Bounds, chairman of the board, presided and gave the welcome. President P. K. Lutken told about the financial status of the company. Vice-president W. D. Owens gave a talk on conservation and urged increasing the average size of policy. A. E. Babbitt, vice-president and actuary, discussed the yearly renewable term and told about the efforts of twistlers to urge yearly renewable term and allow the policyholder to invest his own money. Vice-president J. O. Segura, who is agency director, gave a talk, as did Superintendent of Agents E. G. Olden and Manager W. K. Fritz of the underwriting department.

Following the agency convention 30 agents who qualified for the free trip to Honduras and Guatemala left on the United Fruit Company's steamer "Tolosa." They are members of the All Star Club. The party is headed by Dr. J. O. Segura and Agency Supervisor R. B. Nelson.

The four field men who made the highest records for the club year and thus became All Star Club officers are: W. C. Buckley, president; R. O. Hardy, first vice president; R. P. Scott, second vice president, and E. W. Inmon, third vice president.

Winners of Welty conservation med-

PROPERTY MANAGER

North Carolinian, satisfactorily employed, must return south to assure future health of 18 year old son. Now handling northern bank mortgage properties, industrial, mercantile and residential worth \$15,000,000. Eighteen year record available. Developed management system now widely copied. Thoroughly familiar with southern business and widely acquainted with southerners from prior saleswork. Assets: Appearance, sound health, proven judgment, excellent memory, personal pride in establishing and maintaining earning power of properties. Married. Three children. Protestant. Home owner. Interview sought.

ADDRESS H-81, NATIONAL UNDERWRITER

WANTED

A Supervisor who can close business. Preferably not over 40, with ample experience in Life Insurance sales. Good opportunity for the right man. Job involves travel in Missouri territory out of Head Office. Well rated, progressive company. Replies will be treated strictly confidential and should state full qualifications and experience. ADDRESS H-84, NATIONAL UNDERWRITER

als for the past club year are: W. C. Buckley, H. W. Gober and R. O. Hardy. These awards are for excellence in all-round agency records.

Mutual Trust Life Honors Veterans at Regional Meet

A group of 74 attended the Mutual Trust Life's regional convention at Lawsonia, Green Lake, Wis., this week. The agents were from northern Michigan, Wisconsin, Iowa, Minnesota, North Dakota and Nebraska.

At the banquet President Edwin A. Olson delivered his message to the field force via a telephone broadcast from Chicago. At this time special honors were paid to the production leaders in the division and Vice-president A. B. Slattengren awarded service buttons to the following veterans: O. I. Hertsgaard, 25 years; Eskil Lindstrand, 20 years; Walton Murat, 20 years; Harry J. Nelson, 15 years; Raymond Olson, 10 years; Walt Boldig, 10 years; Ben W. Carlson, 10 years; and Clarence Ramstad, 10 years; Sanford B. Gould, K. W. Grafton and J. H. Quigley, five years.

"Sales Helps" were discussed by Dave Dawson; "Methods of Prospecting," Reed Nelson; "How to Approach the Prospect," E. G. McCuskey; "Sales Demonstration—Family Income," Stacy Merchant; "Organization of Time and Effort," L. R. Lunoe.

"Programming an Insurance Estate" was reviewed by Carl G. Homann; "Building Through Package Selling," Walton Murat; "Settlement Options," H. A. Newhart; "Prepared Sales Talks—Their Value," W. G. Young; "Problems of Home Office Management," Raymond Olson; "Message from Department Heads to the Field Force," Harry J. Nelson.

A sales demonstration on income endowment was given by S. B. Gould; "How I Meet Objections" was answered by J. W. Johnson, W. L. Boldig, Milo Hansen and J. H. Quigley.

"Value of Building Prestige" was discussed by B. W. Carlson; "Use of Motivation in Selling," Wade Nelson; "Mental Attitude," O. I. Hertsgaard; "Our Opportunities," A. B. Slattengren.

Johnson, Gygli Joint Rally

The H. J. Johnson agency of Penn Mutual in Pittsburgh and the R. P. Gygli agency in Columbus, O., will hold a joint convention Aug. 31-Sept. 2 at Bedford Springs, Pa. Among the speakers will be Thomas Newhall, executive vice-president Penn Mutual; Osborne Bethea, New York general agent; John A. Stevenson and A. E. Patterson, vice-presidents Penn Mutual; G. W. Stewart, leading Pittsburgh producer; Stanley Transue, leading Philadelphia producer, and Messrs. Johnson and Gygli.

Mr. Gygli was host to the members of his organization, their wives and friends at a picnic the other day. This was in celebration of the fact that the agency had a 100 percent increase in production in July and a 33 1/3 percent increase for the year.

Walker-Hiner Sales Rally

SALT LAKE CITY—The Walker-Hiner Agency, general agent United Benefit Life and the Mutual Benefit Health & Accident, held a one-day sales congress here, attended by more than 50 agents from Utah and Idaho. Home office officials in attendance were: F. S. Finch, assistant secretary United Benefit, and Floyd Holdren, agency superintendent Mutual Benefit H. & A. G. P. Backman, secretary of the Salt Lake chamber of commerce, gave the address of welcome, and F. E. Walker responded.

Lyle Hiner presided at the luncheon meeting, the principal speakers being Commissioner Neslen, G. J. Cannon, executive vice-president Beneficial Life, and C. R. Marcusen, president Pacific National Life. A get-together meeting, at which sales presentations were stressed, was held in the afternoon. The

delegates were taken on a tour of the city, and later given a "dip" in the great Salt Lake.

California-Western States Cruise

The California-Western States Life will have its agency convention in British Columbia next week. All hands sail from Seattle Sunday night. The opening session will be at Vancouver. The delegates and officials will embark on their own chartered boat Monday night for Prince Rupert, B. C. There will be a number of side trips. The officials will present some novel and unique methods to the field force. President O. J. Lacy will head the home office delegation.

Wisconsin National Outing

More than 150 agents of the Wisconsin National Life from Wisconsin and four adjoining states, with their families, were guests of the company at Oshkosh, Wis., for the annual outing. Including home office officials and employees, 225 attended.

At the agents' luncheon meeting Arthur James, vice-president and agency manager, gave the address of welcome; R. N. Sine discussed "Life and Accident and Health Insurance Combination"; Charles Blanchard and G. E. Kildsig gave a model sales presentation; G. A. L'Estrange, manager accident and health department, spoke on "Selling Accident and Health Insurance," and A. C. Eastlack, actuary, talked on "Underwriting Practices."

Baseball, horseshoe and other contests and games for young and old comprised the afternoon outing program, followed by a picnic supper at the clubhouse and concluding with a dance in the evening.

Provident Mutual Conventions

The Provident Mutual Life will hold three regional conventions Sept. 7-9 at the Edgewater Beach Hotel, Chicago; Sept. 14-16 at Hot Springs, Va., and Sept. 28-30 at the Lake Placid Club in New York.

United L. & A. Convention

The United Life & Accident is holding its agency convention this week at the Balsams, Dixville Notch, N. H.

Occidental Life Meeting

LOS ANGELES—Los Conquistadores Club of the Occidental Life, which will hold its annual convention in Vancouver, B. C., will have 124 members who have qualified for the year.

Don Alford, supervisor of the Van Goldman general agency of the Prudential in Chicago, is back on the job following an appendix operation.

Yetka Disavows Endorsing Advertising Solicitation

A number of insurance companies have received requests to insert advertising in the Minnesota "Conservationist" which is a publication of the Minnesota department of conservation. Some of the companies have received calls from advertising salesmen, who claim to be state employees and who apparently have given the prospects to understand that Commissioner Yetka of Minnesota is interested in having insurance companies advertise in that journal. Several

months ago, it appears, a subordinate in the Minnesota insurance department office dictated a letter urging insurance companies to advertise in the "Conservationist" and used Mr. Yetka's rubber stamp signature. This, it is said, was done without the authority or knowledge of Mr. Yetka. It is understood that when Mr. Yetka discovered what had been done, he communicated with several insurance companies, disavowing the first letter. The subordinate who dictated the letter is no longer connected with the department.

Sales-making facts and figures are given in the **Little Gem Life Chart**.

KEEPING QUALITY SERVICE & SAFETY

FIRST

THROUGHOUT its one third of a century in business, the Indianapolis Life has strictly adhered to its original pledge to "Keep Quality, Service and Safety First."

A steadily growing company with a remarkable record attest to the wisdom of this course.

Splendid opportunities for General Agents and District Agents, particularly in sections of Illinois, Ohio, Michigan, Minnesota, Iowa and California.

INDIANAPOLIS LIFE INSURANCE COMPANY

INDIANAPOLIS, INDIANA

A Legal Reserve, Mutual Company Organized in 1905 with over \$107,000,000 of insurance in force.

Edward B. Raub, President

A. H. Kahler, Supt. of Agents

THE MANUFACTURERS LIFE

Assured of Future Expansion

The Manufacturers Life stands on the threshold of its second half-century.

As in the past, so in the future, this company's sound, progressive business policy will ensure continued expansion and success.

INSURANCE AND DEFERRED ANNUITIES IN FORCE
556 MILLION DOLLARS
ASSETS EXCEED 154 MILLION DOLLARS

INSURANCE COMPANY
HEAD OFFICE
TORONTO, CANADA
Established 1887

AS SEEN FROM CHICAGO

"ADS" URGE KEEPING POLICIES

The Chicago Better Business Bureau is running in all of the Chicago daily papers this week an advertisement urging policyholders to keep their insurance in force. "Cash in Your Policy—Cash Out Your Future"—is the caption. This is being done with the cooperation of the Chicago Life Underwriters Association.

WOOD AGENCY HONORS CARROLL

J. P. Carroll, superintendent of agencies Lincoln National Life, was the guest of Freeman J. Wood, Chicago, general agent, at an agency dinner. This was the initial step in a campaign which is being conducted by the agency

throughout August in honor of Mr. Carroll. Only a few days after the beginning of the campaign the agency piled up \$100,000 in paid for business, which put it well on the way to establish a record for the month.

HARRY WRIGHT MAKES IT 15

Harry T. Wright, associate manager of the W. V. Woody agency of Equitable Society in Chicago, qualified for the Million Dollar Round Table in July. This marks the 15th consecutive year that Mr. Wright has qualified.

Mr. Wright's accomplishments this year are particularly noteworthy in view of the fact that he is devoting an unusual amount of time to association work, as

chairman of the membership committee of the National Association of Life Underwriters.

LEVINKIND IS AGAIN LEADER

Morris Levinkind, Columbus Mutual Life representative in Chicago, will again be honored at the company's agency convention, having led for his second successive agency year, April, 1937-1938, in paid for business. This year the Columbus Mutual Life agency \$100,000 Club and agency convention will take the form of a week's cruise on the Great Lakes on the "Alabama," leaving Cleveland Aug. 14. Although Mr. Levinkind has been a mortgage-loan correspondent in Chicago for the company for 15 years, he has been in personal production only two years. He led all producers his first year, despite the fact he was able to give only a limited amount of time to personal production. He was awarded a silver trophy.

FEATURE W. H. SIEGMUND

The C. J. Zimmerman agency of the Connecticut Mutual Life in Chicago designated this as "William H. Siegmund Week," as an honor to the brokerage department supervisor on completion of his first year's association with the office. Mr. Siegmund became connected with the Zimmerman agency Aug. 9, 1937.

A number of special tributes have been given him for his work. Most recent of these special honors was when he was runner-up for the Fred Lyter cup, which is the company's annual award to the supervisor performing the most outstanding service during the year. He qualified for the supervisors conference in Indianapolis last November, for the regional convention in June, and for the supervisors' corps for the year ending in April.

Mr. Siegmund has recruited more than 100 brokers, and the agency's full 1938 quota of business from this source was passed in the first seven months. He assisted as lecturer before the four evening sales courses the agency conducted last year.

SAM CUMMINGS IN CHICAGO

O. Sam Cummings of Dallas, president of the National Association of Life Underwriters, is in Chicago this week conferring with several leaders in the organization who are located there.

STOCK QUOTATIONS

Bacon, Whipple & Co. of Chicago list the following quotations on life insurance stocks:

	Par	Div.	Bid	Ask
Aetna Life	10	1.25*	25 1/2	27
Conn. Genl.	10	.80	26	28
Cont. Assur., Ill. .	10	2.00	32	35
Lincoln Natl.	10	1.20	23	25
New World Life. .	10	.40	4 1/2	5 1/2
No. Amer. Life. .	2.00	...	2 1/2	3
N. W. Natl.	5	.30	12	14
Old Line Life.	10	.60	11	12 1/2
Sun Life, Can.	100	15.00	500	540
Travelers	100	16.00	465	480

*Includes extras.

EFFECT OF UNWISE ADVICE

The effect of so-called advisors or consultants advising people to take term insurance and invest their own money is often seen in hasty and unfortunate action. For instance, one policyholder who had borrowed all that he can on his policy is refusing to pay the interest and claiming that his policy cannot be lapsed because he has simply used his own money and that so long as he can pay the premium the insurance should be kept in force without interest on the loan. In reading some of the hostile attacks on life insurance the policyholder has become confused.

SUPERVISORS IN DEMAND

Several general agencies in Chicago are seeking qualified supervisors but there seems to be a dearth of material. Agents to qualify as supervisors must be fairly successful personal producers, writing around \$150,000 to \$200,000 a year. A good producer who goes into supervisory work usually makes a temporary sacrifice in income, with the idea

that he will eventually become a general agent.

It is not especially desirable to bring men into Chicago from smaller cities to become supervisors because Chicago contacts are desirable in recruiting new men.

GENERAL OFFICES PUSH LIFE

The general insurance offices in Chicago are pushing life insurance to a greater extent in order to offset the premium income lost through the reduction of casualty premiums and the loss of fire lines. They feel that life and accident offer one of the best sources for recuperating premium volume at the present time.

NEW YORK

Fraser Agency's July Figures

Paid-for business of the Fraser agency of the Connecticut Mutual in New York City for July was \$1,221,685 as compared with \$1,009,171 for the same month in 1937.

Knight Agency's July

The C. B. Knight agency of the Union Central in New York in July showed a total paid business of \$1,050,000, as compared with \$1,274,201 in July a year ago. The business for the first seven months was \$10,045,243, as compared with \$12,767,344.

Seminar Plan Is Expanded

The interest displayed in the seminar in fire insurance last year has inspired the educational committee of the Insurance Society of New York to offer a seminar this year embracing the entire field of insurance. The committee directing the course consists of M. W. Mays, assistant director Business Development Office, chairman; A. G. Borden, second vice-president Equitable Society; F. E. O'Brien, secretary Fidelity & Casualty; E. M. Allen, vice-president National Surety, and F. B. Tuttle, vice-president Atlantic Mutual.

Illinois Bankers Hospital Gift

A gift of \$6,000 has been made by Illinois Bankers Life of Monmouth, Ill., toward the erection of an addition to the Monmouth hospital in connection with the purchase of an entire issue of \$50,000 bonds at a premium of \$4,000 to finance this improvement. The W.P.A. has made a grant of \$68,500 for this project.

It is contemplated that memorial rooms will be established in the hospital in honor of Dr. J. R. Ebersole, vice-president and medical director of Illinois Bankers, who died July 29 and of W. A. Sawyer and S. S. Hallam, organizers and for many years secretary and general manager respectively, prior to their deaths in 1916 and 1919, also special hospital facilities will be offered to the company's employees.

Recognized everywhere
as

"One of
The Best"

**CENTRAL LIFE
ASSURANCE SOCIETY**

HOME OFFICE • DES MOINES



August 2, 1850

Candles made by the great Italian Liberator may have lit early Board Meetings of The United States Life... at least an interesting speculation. Now one of the oldest life insurance companies in America, as a pioneer The United States Life was something of a liberator too; people knew little about life insurance in 1850. Today it is doing its pioneering in international underwriting, offering world-wide continuing service. This opens a rich new prospect field of foreigners here, of Americans abroad. A steadily growing domestic and foreign business, and a complete line of guaranteed cost contracts. Ask for booklet "New Horizons."

**THE UNITED STATES LIFE
INSURANCE COMPANY**

IN THE CITY OF NEW YORK
101 Fifth Avenue New York, N. Y.



On August 2, 1850, in an interlude between revolutions, Garibaldi, Italian patriot, arrived in New York. For a few months before going back to unify Italy he was a candlemaker on Staten Island.

★

13% GAIN
in new business
first six months

1938

★ ★ ★

The MIDWEST Life
INSURANCE
COMPANY
OF LINCOLN, NEBRASKA

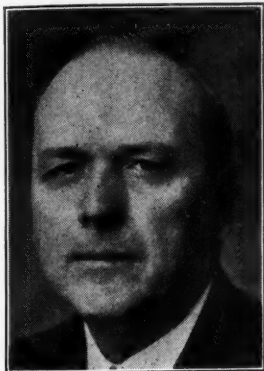
LIFE AGENCY CHANGES

Reynolds to Mutual Benefit

Joins the Bruce Parsons Agency in Chicago as Assistant General Agent—Successful Personal Producer

Col. Earl R. Reynolds, prominent million dollar life man, for many years with the Penn Mutual Life, has become associated with the Bruce Parsons agency of the Mutual Benefit Life in Chicago as assistant general agent.

Col. Reynolds joined the Drew agency of the Mutual Benefit in 1923, and the Stumes & Loeb agency of the Penn



COL. EARL R. REYNOLDS

Mutual in 1926. Because of his legal training and background in wills and trusts, he early specialized in the study of settlement options, proper succession, estate analysis and taxation, until he now is recognized as an authority on these subjects. He paid for in excess of \$1,000,000 of insurance in three of the past 12 years.

Col. Reynolds was born in Verdi, Minn., and graduated from the Chicago Kent College of Law 1907, following which he engaged in private practice. In 1932 he became a C. L. U.

His military career started 40 years ago, when he was a lad of 16. He participated in the Spanish-American war, serving with the 50th Iowa volunteers in Cuba, and later with the 13th U. S. Infantry in the Philippine insurrection. In May, 1917, he enlisted in the World War, as captain commanding Company M., 344th Infantry, was promoted to major in June, 1918, commanding 2nd Battalion, 36th Infantry overseas, receiving his honorable discharge in January, 1919, just prior to which he was made a lieutenant colonel.

He went into the advertising business, leaving that field in 1923 to join the forces of the Drew agency. Colonel Reynolds and Bruce Parsons entered the life insurance field within a week of each other, occupying a double desk in a private office in their early days with Mr. Drew, where the long and close friendship was established.

Name McNulty at Sioux City

O. F. McNulty, for 19 years a district manager for Remington-Rand, has been appointed manager in Sioux City, Ia. by the Homesteaders Life. He will be in charge of northwest Iowa and South Dakota.

Guarantee Mutual Names Three

Guarantee Mutual has appointed Frank A. Pierson of Minden as general agent for six southern Nebraska counties, with headquarters at Hastings. He has been in the mercantile business at Minden for 16 years and was formerly in life insurance sales work for several years.

Roy D. Raitt of Ainsworth has been named general agent for nine northwestern Nebraska counties. He oper-

ates a real estate and general insurance business at Ainsworth.

Richard Meyer of Santa Barbara, Cal., becomes general agent for three counties. He was formerly with Metropolitan Life for two years, but has recently been in the men's clothing business in California and Arizona.

New Setup in Los Angeles for New England Mutual

LOS ANGELES—Hays & Bradstreet is the new style of the general agency in Los Angeles of the New England Mutual Life, succeeding Hays, Hudson & Bradstreet, following the appointment of W. E. Hays as director of agencies at the home office and the retirement of C. W. Hudson, who requested that he be relieved of general agency responsibility. He will remain as associate general agent in charge of the Long Beach office.

The members of the new firm are Rolla R. Hays, Rolla R. Hays, Jr., and R. H. Bradstreet. The firms will continue to maintain offices in Los Angeles, Hollywood, Long Beach, Pasadena and Santa Ana.

The Hays, Hudson & Bradstreet agency began business Aug. 1, 1932, and has made a remarkable record. R. R. Hays, senior member of the new general agency, has been in life insurance 35 years, starting with the New England Mutual in Kentucky. R. R. Hays, Jr., entered life insurance more than ten years ago, and last August was appointed manager of the "new agents training department." He now assumes the responsibility for production of new business. R. H. Bradstreet has been a member of the agency since its inception. He now takes charge of the agency's territorial expansion program, and will establish further district offices.

Hugh Walker with Union Mutual

Hugh L. Walker, until recently superintendent of agencies of the Scranton Life of Scranton, Pa., has been appointed manager of the Syracuse agency of the Union Mutual Life of Portland, Me. He has been in life insurance work since his graduation from college and has been a leader in the business.

Prior to his connection with the

Joins Woods Co.



A. C. BOWSER

The Edward A. Woods Company of Pittsburgh, general agent of the Equitable Society, announces the appointment of A. C. Bowser to its executive staff. He has had a number of years' experience in life insurance and became a C. L. U. in 1935. He was general agent in the east and then was assigned to Pittsburgh where he had charge of a large group of agents. He is not only an executive but a personal producer.

Mr. Bowser heretofore has been with the Penn Mutual.

AMERICAN NATIONAL INSURANCE COMPANY

GALVESTON, TEXAS

W. L. MOODY, JR., President

Thirty-third Annual Statement, December 31, 1937

Insurance in force

\$671,629,425.00



Industrial and Ordinary

Operating from Coast to Coast, from the Great Lakes to the Gulf, in Cuba, Puerto Rico and Hawaii

Friendly • Progressive • Strong

More than a Name!



A TRADITION

To the agent, Bankers Life of Nebraska is more than just a name on an insurance policy. To him it signifies his business partner working in a common cause—a better income for the agent, and a better service to the insurance buyer; borne out, without exception, for a period of more than fifty years. A tradition for half a century. Call it what you will, this principle of mutual understanding between agent, company and policyholder accounts for the major successes of Bankers Life of Nebraska. Successes that also have become traditional.



Bankers Life
INSURANCE COMPANY of Nebraska
Home Office, Lincoln

Scranton Life he was assistant superintendent of agencies of the Home Life of New York, following a number of years as a service man for the Life Insurance Sales Research Bureau.

He was born in Florida, attended Phillips Exeter Academy and Massachusetts Institute of Technology, graduating in 1924 and receiving his master's degree in 1925.

Kerr Retires; McClure Successor

Roy H. Kerr, for many years manager of the State Life of Indiana for eastern Michigan, with headquarters in Detroit, has resigned and will retire from active business life. He is succeeded by C. M. McClure.

Doyle Named in Colorado

M. J. Doyle has been appointed general agent of the General American Life for Colorado with headquarters in Colorado Springs.

He has been with the company and the old Missouri State Life, starting in 1913. In 1917 he became a member of the general agency firm of Doyle & Raley in Colorado Springs and continued in that connection until 1935, when

he left life insurance for three years. While in the business he qualified for the \$100,000 Club on ten different occasions.

Heilmann Detroit General Agent

Harry E. Heilmann, former baseball star of the Detroit American League team, has been appointed general agent of the Franklin Life in Detroit, succeeding E. B. Meek. Mr. Heilmann, who has achieved a reputation as a sports announcer on the radio in his spare time, has been in life insurance since his retirement from baseball. He has been with the Franklin for several years.

Uden Nashville Supervisor

Edgar A. Uden, Jr., has been appointed agency supervisor in Nashville for the Peoples Life of Indiana, associated with State Manager W. L. Sanford with offices in the Nashville Trust building.

Leslie Fortune of Memphis has been appointed associate general agent of the John Hancock Mutual Life in that territory.

New Union Central Managers



O. E. McCULLOUGH



ARTHUR E. MILLER

O. E. McCullough has been appointed manager of the Union Central Life in its new Knoxville agency. He has been a leading producer at Little Rock, Ark. Signing his first contract in 1932, McCullough topped the \$200,000 mark the following year. Since that time he has never been below that figure. In both 1936 and 1937 he was a member of the \$250,000 Club.

Born in Fairfield, Ill., in 1897, Mr. McCullough attended Hendricks College in Conway, Ark. His prowess as a football star landed him a job as assistant coach with his alma mater after graduation. In 1927 he became athletic director of Batesville, Ark., high school. He was then superintendent of schools for the next five years. In 1932 he joined the Little Rock agency, and three years later was appointed field assistant to Manager J. J. Harrison.

Arthur E. Miller, the new general agent of the Union Central Life in St. Louis, was born in Evansville, Ind., in 1894. He spent most of his life in St. Louis, where he attended Washington

University and the City College of Law & Finance.

Before entering the life insurance business in 1924, he secured a wide background as a tax consultant. For the five years preceding his insurance work he was with the tax service branch of Prentice-Hall, New York. Beginning in 1924, he spent three years as tax consultant with a St. Louis insurance office. In 1927, he went into the field as a specialist in taxation and estate matters for the Northwestern Mutual. Since that time his personal production record has shown an annual paid-for total averaging over \$300,000. Just before joining the Union Central he had completed 229 consecutive weeks of production.

In 1930 he was awarded C. L. U. designation, and since that time has served as president of St. Louis C. L. U. chapter and was president of his company's C. L. U. group. He is past president of the St. Louis Association of Life Underwriters and is at present treasurer of the St. Louis Life Insurance & Trust Council.

Pure Protection LOW COST Life Insurance

(WHOLE LIFE POLICY)
No Cash Values

Life Insurance in itself is inexpensive

We are proud of our THIRTY YEAR record of dependable service to our policyholders. During this time the country passed through the GREATEST WAR in history—the GREATEST EPIDEMIC and the GREATEST DEPRESSION. It has never been necessary to borrow money from the government or any other source to meet our obligations.

Attractive proposition to agents and brokers

INTERSTATE RESERVE LIFE INSURANCE COMPANY

10 East Pearson St., Chicago, Ill. • Phone Superior 1714

"THE SUN NEVER SETS ON AN UNPAID CLAIM"

THE DOMINION LIFE ASSURANCE COMPANY



LET THE CARE-FREE DAYS OF AUGUST SUGGEST THE "WORRY FREE" DAYS OF LATER YEARS—protected by a Dominion Life Retirement Plan—

DETROIT
2724-6 Union Guardian Bldg.
F. W. SIMPSON, Manager

LANSING
800-801 Olds Tower Bldg.
ROY G. NOWLIN, Manager

ESTABLISHED 1889 — HEAD OFFICE — WATERLOO — ONTARIO

NEWS OF LIFE ASSOCIATIONS

To Hold First Mississippi State Meeting Sept. 16

JACKSON, MISS.—More than 300 are expected to attend the first statewide convention of the newly organized Mississippi Association of Life Underwriters here Sept. 16. Formerly local and district associations have been active, but this is the first state meeting.

H. L. Burnett, vice-president in charge of agents of the Reliance Life, will speak at a luncheon for agency managers, supervisors, and district managers.

Officers of the association are: President: J. L. Denson, Jackson; secretary, J. S. Knight, Jackson; vice-presidents, G. C. Poole, Gulfport; H. G. White, Vicksburg; E. H. Walker, Meridian; Walter White, Biloxi; W. E. Burrow, Laurel, and J. P. McNeil, Jackson.

Push Sales-Jobs Campaign

ST. PAUL — Insurance men of the Twin Cities set the pace this week in the nation-wide sales-make-jobs campaign. In both St. Paul and Minneapolis they chose Wednesday as the day to make a special sales drive.

In St. Paul three insurance organizations sponsored the campaign: The Insurance Exchange, St. Paul Life Underwriters and St. Paul General Agents & Managers Club. The Minneapolis Underwriters Association and the Minne-

apolis Association of Life Underwriters also were active in the sales crusade.

Columbus Wants Ohio Meeting

The Columbus Association of Life Underwriters has invited the Ohio association to hold its annual meeting in Columbus in the spring. If the invitation is accepted, the Columbus association may postpone its annual sales congress from March and hold it in connection with the convention of the state association.

See Talks in Honolulu

Frank M. See, St. Louis general agent of the New England Mutual Life, will deliver a series of lectures the week of Sept. 19 in Honolulu in response to an invitation by the Life Underwriters Association of Hawaii. He is president of the General Agents & Managers Association of St. Louis.

Prepare for Chicago Jubilee

Preparations are now under way and an entertainment committee chairman is to be named soon, in connection with the golden jubilee party of the Chicago Association of Life Underwriters. The party, which will probably take the form of a dinner with the evening devoted to dancing, has been set for Dec. 7, in the grand ballroom of the Sherman Hotel, headquarters of the Chicago association. The first meeting of the association, which was then called the Life Under-

writers Association of Chicago, a name retained until January, 1926, was held in the old Grand Pacific Hotel Dec. 7, 1928. Miss Joy M. Luidens, executive secretary, who became connected with the association June, 1929, states the golden jubilee party is the only celebration planned and a majority of the record membership of 1,655 is expected to be present.

Nebraska.—Walter I. Black, state president, has named the following standing committee chairmen: Dwight Evans, Lincoln, convention; Omer Frey, Lincoln, education; W. E. Riggs, Omaha, extension; S. M. Hall, North Platte, finance; Conn W. Moose, Omaha, legislation; Don Parker, Omaha, membership; John Diestel, Fremont, publicity; and E. A. Kelloway, Omaha, sales congress. The annual convention will be held in Lincoln, June 23. Other officers are Earle E. Best, Omaha, secretary-treasurer; Len J. Davis, Hastings, Jerry Brown, Norfolk, and Art W. Tell, Scottsbluff, vice-presidents.

Kansas.—R. K. Dennison, Metropolitan Life, Salina, president state association, appointed Gene Conklin, Equitable Society, Hutchinson, general chairman for the sales congress and annual meeting, tentatively set for May 5-6, 1939, at Hutchinson. Mr. Conklin will handle all local arrangements at Hutchinson, and head the local committees.

Cleveland.—A meeting of the directors will be held at the home of C. R. Walker, general agent Equitable of Iowa, in Gates Mills, O., Aug. 13.

Philadelphia.—The Annual Play Day will be held at the Philadelphia Country Club Sept. 9.

Jonesboro, Ark.—L. W. Murphy, assistant manager of Metropolitan, talked on "Prospecting."

Denver.—The Denver Association of Life Underwriters will meet Sept. 6 in Denver for a joint welcome to new officers of the Colorado association, and to formulate cooperative plans for the four groups in the latter organization.

Boston.—A. M. Anderson, Occidental Life, Pasadena, addressed a special meeting, known as a programming school on simplified program selling.

San Francisco.—Under the leadership of G. F. McKenna, manager Continental Assurance, an active effort to stimulate interest in the coming convention of the National association in Houston is being conducted. The association is seeking to send its largest group to the meeting this year. Mr. McKenna is chairman of an "On to Houston" committee.

The annual picnic for employees of the Old Line Life, Milwaukee, was held at Brown's Lake near Burlington, Wis.

A Winning Team!

You and Lutheran Brotherhood

A good agent plus a strong, progressive, Fraternal Society can make Life Insurance History in any Lutheran Community. All Lutherans (a select prospect list) are eligible for life insurance in this Society.

You are the Agent!

Lutheran Brotherhood is the Society. Working together, we can write the business. If interested in a work that assures you a secured future, address your letter to:—

SUPERINTENDENT OF AGENCIES

LUTHERAN BROTHERHOOD

Legal Reserve Life Insurance
Herman L. Ekern, President
HOME OFFICE Minneapolis, Minnesota

LEGAL RESERVE FRATERNALS

Press Section Program Out

Interesting Schedule of Events for the Annual Meeting at Time of National Fraternal Congress Conclave

The National Fraternal Congress press section has announced its program for Aug. 22 at the Royal York Hotel, Toronto, as follows:

Breakfast

Grace, Mrs. Vivian Watkins, vice-president Press Section.

Introduction of executive officers of the congress.

Introduction of past presidents of press section.

Greetings from the national president of the Fraternal Congress of America, Mrs. Dora Alexander Talley.

"As a President Views the Fraternal Magazine," E. W. Thompson, president of the Presidents Section.

Morning Session

Roll call.

Reading of minutes.

President's message.

"The Fraternal Magazine as Viewed by a Field Manager," F. B. Mallett.

"Perfecting the Mailing List," Mrs. Mary Baird.

"The Development of the Fraternal Magazine," Dio W. Dunham.

Afternoon Session

Memorial, paying tribute to the memory of Dr. Emma Bower (president in 1904) and Mrs. Elizabeth Mehan (president in 1919).

Mrs. Julia War Clingen and Mrs. Clara Bender will be the speakers.

Election and installation of officers.

Visit to the "Globe & Mail" building.

Rate Adequacy Paramount

President Aleshire of Modern Woodmen in Splendid Comment on Fraternalism

No life insurance institution can long survive unless it recognizes the immutable law of mortality and accordingly charges adequate rates, O. E. Aleshire, president Modern Woodmen, declared in a statement to members published in the August issue of his society's house organ. After persistent effort in the Modern Woodmen, the rate problem was solved, he said, as it has been in many other societies that have been modernized, but it would have been better had the adequate rates been adopted much earlier.

Mr. Aleshire said a business institution to have endured for 55 years, as has the Modern Woodmen, must have a good deal of inherent worth or served some notably useful purpose. He admitted mistakes have been made, but said these led to learning the correct method of operation. One thing that has been learned by the Modern Woodmen management, Mr. Aleshire said, is that economy should be exercised in every business, the profits of prosperous years used to fatten the lean years.

Conservative Policy Best

"We are operating with rigid economy, but with no less of honesty, aggressiveness and sincere purpose," he stated. "We have also learned in common with the rest of the world that the best of institutions profit through an economic depression. Many have failed. We have survived. We know now that no insurance institution of any kind can grow too rapidly without risking solvency. Trying to do too much business

in a short time, especially in its early years, has been the cause of many a company's failure. It is better to grow slowly, normally and soundly.

"Happily we have weathered the storm of rapid growth as well as depression, war, epidemic and error. Modern Woodmen of America is making progress in the right direction. It is sound financially. It is sound internally.

"We have learned that this fraternal society must continue on its well considered and legally chartered course. Fraternal life insurance is just as much a recognized system in every state in the Union as old life insurance is. The local lodge, or camp, is the unit of our organization. It must and ought to be preserved. There is no other hope, ought not to be and need not be.

Supports Lodge System

"A real fraternity among men is one of the world's greatest needs. A fraternal benefit society affords a natural setting for the exercise of fraternity. It need not suffer because of adequate rates. It should not suffer because of changed conditions. Human nature has not changed. There is more need today than ever for the sympathetic, understanding, healthful grouping of men and women in our camp halls. Modern Woodmen of America has done enough good in the world to entitle it to continue to live and serve.

"The actual accomplishment of Modern Woodmen of America is recorded history. It has paid to the beneficiaries of deceased members, and to living members, in excess of \$600,000,000. This stupendous sum has kept homes intact by paying off the mortgage; helped to clothe, feed and educate women and children; it has enforced the habit of thrift and saving among members; has thereby added to the wealth of every

community in this land. This is the material side.

"Its fraternity cannot be measured in dollars although many millions have been distributed in its name. The value of our tuberculosis sanatorium, one of the greatest voluntary life saving institutions in the world, can be measured only by the heart stories of those it has helped. The generous response to every worthy appeal has made it possible to care for the needy and distressed, by healing the sick, securing employment for those out of work, aiding those who have suffered from great catastrophes, and keeping certificates in force for the benefit of loved ones."

Ben Hur Life Convention

The annual convention of the Ben Hur Life of Crawfordsville, Ind., will be held in its home city starting Oct. 18. Many interesting features are being planned by the officers. One of the big features will be the appearance of Jacob Tarshish, known to radio listeners as "The Lamplighter."

State Managers Named

G. G. Clough has been made state manager of the Ben Hur Life for Michigan. He served as state manager in southern Indiana for some time. He was born in the vicinity of Crawfordsville.

A. L. Saulmon becomes state manager for Maryland. He has been located at Memphis.

Paul R. McCarty takes southern Indiana in addition to his central Indiana territory. His father several years ago was state manager in Iowa.

Bradshaw Speaks in Arkansas

MELBOURNE, ARK.—De E. Bradshaw of Omaha, president Woodmen of the World, was the principal speaker at a W. O. W. homecoming picnic here. A delegation met him at Sage, his home town, six miles east of here, and formed a parade to the picnic grounds. He was

What Is Legal Reserve Fraternal Life Insurance?

(This is the third of a series of advertisements outlining briefly a few characteristics of this type of protection—points that may not be generally understood by the otherwise well informed and intelligent fraternity of life insurance executives and salesmen.)

3. Legal reserve fraternal societies use the open contract which proved to be the most satisfactory for policyholders or members during the stress of depression years when all claims based upon the so-called open contract were paid in full.

Like the record made by the legal reserve fraternal as a whole, it was never necessary for the Ben Hur Life Association to borrow money from the government or any other source to meet all cash demands.

BEN HUR LIFE ASSOCIATION

Established 1894

Home Office: Crawfordsville, Ind.

John C. Snyder,
President

Edwin M. Mason,
Secretary

THE WOMAN'S BENEFIT ASSOCIATION

Founded 1892

A Legal Reserve Fraternal Benefit Society

Bina West Miller Frances D. Partridge
Supreme President Supreme Secretary

Port Huron, Michigan

ACTUARIES

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COATES & HERFURTH
 CONSULTING ACTUARIES
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Established in 1865 by David Parks Fackler FACKLER & COMPANY

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PENNSYLVANIA

FRANK M. SPEAKMAN CONSULTING ACTUARY

Associates
 Fred E. Swartz, C. P. A.
 E. P. Higgins
 THE BOURSE PHILADELPHIA

introduced by Judge Ashley. B. B. Raglin, Little Rock, state manager W. O. W., also spoke. About 800 members from 400 Arkansas camps attended. Sixteen drill teams performed.

International Workers to Court

BOSTON—Commissioner Harrington has been served with a summons to appear before the supreme court for a hearing on the petition of the International Workers Order, seeking a review of his refusal to renew its license.

G. U. G. Germania Meets

MILWAUKEE—About 150 delegates from the 58 branches throughout the state are attending the golden jubilee convention of the G. U. G. Germania, fraternal. Constitutional amendments and policies of the organization will be discussed. The convention will close Saturday afternoon after a day of reports and committee surveys.

Mayor Hoan greeted the delegates at the opening session. Adam Muth, Milwaukee, was toastmaster at the banquet. Joseph Grundle, secretary Catholic Family Protective Life, was guest speaker.

INDUSTRIAL

Interstate Life & Accident Change

The Interstate Life & Accident has transferred C. B. Tanner from the Chattanooga district to Dyersburg, Tenn., as assistant manager. Agent F. E. McGee, for 14 years with National Life & Accident, has joined Interstate's Chattanooga unit.

Opens Salt Lake City Office

The American National of Galveston has opened an industrial department in the Judge building, Salt Lake City, with L. B. Cole of Clovis, N. M., as superintendent for Utah. Assistant superintendents are Curtis Danner and R. E. Robertson, formerly of Clovis and Albuquerque, N. M., respectively. E. C. Pollard, division superintendent, assisted Mr. Cole in establishing the Salt Lake City office. The American National ordinary department entered Utah in 1934, with W. L. Vogler as branch manager. But two other companies are writing industrial insurance in Utah, the Metropolitan and Prudential.

Duffy Is Derby, Conn., Manager

Harry Duffy, Middletown, Conn., who has been a field training assistant of the Metropolitan Life, has been appointed manager at Derby, Conn. He succeeds Benjamin Walshon, whose assignment has not yet been announced.

Death of Henry Seinfel

Henry Seinfel, district manager John Hancock Mutual Life at Hoboken, N. J., died there. He had been with the John Hancock 43 years, starting as an agent in Brooklyn in 1895. In 1895 he became an agent at the John Hancock's Brooklyn 3 office and in five years he was promoted to assistant superintendent. He was made district manager at Hoboken in 1919.

Study Election Possibilities at Houston Rally

(CONTINUED FROM PAGE 1)

Sheboygan, immediate past president of the Wisconsin Life Underwriters Association. He has been endorsed by the Sheboygan association.

There is considerable speculation as to whether the nominating committee will bring in the names of six candidates only or whether it will take advantage of the provision permitting the presentation of nine names, leaving a

choice to the electors, who are the members of the national council.

The election of trustees becomes especially important, because the man who is elected vice-president next year must be a trustee at the time.

The trustees whose terms expire in 1939 are: Ray Hodges, general agent Ohio National Life, Cincinnati; Harry T. Wright, associate general manager Equitable Society, Chicago; J. A. Witherspoon, general agent John Hancock Mutual, Nashville; J. Hawley Wilson, agent Massachusetts Mutual, Peoria, Ill.; Frank B. Summers, New York Life, Boston; Isadore Samuels, general agent New England Mutual, Denver.

Look Ahead Several Years

Of that group, the ones who are mentioned as possibilities either next year or at some future time as candidates for election as vice-president and then president are Messrs. Wilson, Wright and Hodges. A good many believe that Harry Wright would be the logical man to go up next year were it not for the fact that he would be following immediately on the footsteps of another Chicagoan, Mr. Zimmerman. Some of Mr. Wright's friends are looking ahead to having him reelected as a trustee next year and then moved up the following year, or in 1941.

If Mr. Duff is reelected as a trustee this year, a good many observers believe that he will be an important contender for the vice-presidency in 1939.

The line of succession beginning next year is far from being foreordained. The politicians will keep their ears close to the ground at Houston for signs of a budding president.

During the past few years the presidents of the National Association of Life Underwriters have been particularly aggressive men. They have been forceful public speakers and have been on the circuit almost continuously. The sort of a tradition will be carried forward by Mr. Johnson and Mr. Zimmerman. Recent presidents have made the

job strenuous and a good many of the leaders are now commenting upon the fact that there seems not to be an unending supply of talent that has had the experience and enjoys the prestige and buildup to enable them to match the pace that the recent presidents have maintained. For that reason, some of the leaders feel very strongly that past presidents should not be put forward for election as trustees. The office of trustee, according to this theory, should be a proving ground for potential presidents. The trustee should have an opportunity to gain experience in the workings of the association, should be given an opportunity to develop as a featured speaker around the country so as to be ready for the highest office when the call comes. The development of such talent is curtailed when several positions on the board are filled by past presidents, it is pointed out. These critics say that there is no meeting of the National association in which a past president cannot participate and so it is not necessary for him to be a trustee in order to take part in the deliberations of the trustees.

Farley to Oppose Hobbs

Commissioner Hobbs, of Kansas, who received a large majority in the primary last week for renomination for his sixth term on the Republican ticket, will be opposed by James F. Farley of Wichita, Democrat, former local agent there, who defeated Frank L. Britton, Kansas field man, for the nomination.

It was at first thought Mr. Britton would win the Democratic nomination, as early returns placed him far in the lead. Mr. Hobbs' Republican opponent was Victor L. King, former vehicle commissioner.

Barsheack Named in Chicago

Paul P. Barsheack has been appointed general agent in Chicago for the Old Line Life of America.

PRACTICAL MANAGEMENT

"A Field Man's Company"

The agency program of our company is based on the firm conviction that the greatest progress is made when agents make money. That is why this is known as a field man's company. Constructive suggestions are invited from our field force and our executives are genuinely concerned in helping the field man solve his problems. There is ample precedent for this attitude—every official of this company has been in the field as a personal producer or as a successful agency manager.

If you want to make life underwriting pay and will work to that end we have the perfect team—the genuine cooperative spirit—that will bring you proper returns.

Communicate with

ALFRED MACARTHUR
 PRESIDENT

CENTRAL LIFE
INSURANCE COMPANY OF ILLINOIS
 211 West Wacker Drive, Chicago

Sales Ideas and Suggestions

Building Properly Balanced Agency of Medium Size

By H. L. LAWSON

Consider, if you will, an agency without any truly large producers and yet without any agents who are not making a living, a well-balanced and perfectly coordinated agency of 24 people whose production ranges from \$100,000 to a bit over \$500,000 per year and whose overall production in 1937 was slightly less than \$4,000,000 paid for, with an average paid production of \$150,000 per man for all men under contract.

Such an agency is the Detroit branch of the Great-West Life of Winnipeg, under Manager Arthur P. Johnson. This agency led all branches of the company in premium volume in 1937, topping even the head office agency. Its paid for business last year was \$600,000 above that of 1936, an increase of about 18%; 13 of its staff members qualified for the President's Club with a total production of \$2,576,600 of business, an average of \$198,200 per man, the largest number to make the club in any branch of the company. Four of these men made the quarter million section of the club.

Definitely Planned Schedule is Made

These results have been brought about by a definitely planned schedule of agency development instituted by Mr. Johnson when he took charge of the agency five years ago. During that period those producers writing less than \$100,000 per year of paid for business have been eliminated and the remaining men have been developed to a point where the over-all picture in the agency is one of the best in the United States from the angle of correct balance.

Mr. Johnson began his insurance career at the age of 21 years after graduation from Columbia University. He remained 10 years with his first company, developing into a consistent \$500,000 producer. After completing the managers' course of the Life Insurance Sales Research Bureau he became manager of a Detroit agency for another company late in 1930. He did so thorough a job with this agency that he was selected to head the Great-West Life branch upon the retirement of the former manager in September, 1932.

Instituted Individual Management System

Backed by his ten years of field experience and his two years with the agency referred to in a managerial capacity, he instituted his own system of agency management and in five years has developed the branch from less than \$2,000,000 of paid for business annually to nearly \$4,000,000 a year. At the age of 38 years he has built up a remarkable record as an agency executive that merits an analysis of his methods.

His agency building program calls for the appointment of four or five new agents each year. In order to remain in the agency after the first year, these men must produce at least \$100,000, and must continue to produce at least this amount in future years. He has found that an average of about three men per year measure up to these requirements and become regular members of the agency force.

Once a new agent is under contract, he must go through a 45-hour training course, spending three hours per day in classroom work for the first 15 days before he is allowed to go into the field. This training course is conducted by Mr. Johnson with the aid of a blackboard, and is his own creation, having grown

out of his own field experience coupled with good ideas adapted from other sources.

Of these 45 hours of classroom training, six are devoted to prospecting methods and procedure; 18 hours are spent on the fundamentals of life insurance; 12 hours on analyzing the needs of prospects and filling them properly; six hours on sales technique and three hours on company practices and procedure.

Mr. Johnson does not believe in sending new men out with agency executives or more experienced salesmen. This practice has a distinct tendency to make "leaners" out of the agents. It causes them to become too dependent on someone else to close their cases for them and does not make for independence and initiative.

His policy is to send the new men into the field alone at the conclusion of their training period, and then to keep in close contact with them so that he may discuss their problems and difficulties with them as they arise. He insists on a personal conference with each new agent in private each working day for the first year of his connection with the agency.

New Agent Must Be Able to Meet Requirements

If this procedure has not made a good agent capable of holding up his own job in the future at a minimum rate of \$100,000 paid for a year, the man is dropped from the force. Mr. Johnson makes it a practice to be available at all times to any of his men who wish to discuss their problems with him, but discourages requests for him to close cases for them.

The most important thing for an agent to learn, Mr. Johnson believes, is the way to uncover the prospect's needs satisfactorily and arrival at the necessary prescription to cover them to the best advantage for the policyholder. He concentrates a good deal on this phase of the business in his daily contact with his newer men.

The greatest drawback to success he has found among agents, both in his field and managerial experience, is fear. So he concentrates strongly upon erasing fear from the minds of new and experienced men alike. "It is generally

conceded that the greatest hazard in selling is fear," he says, "and in spite of the many books which have been written on the subject and in spite of what many sales experts have said on the matter, fear goes on defeating more salesmen than any other hazard of which I know."

"I try to convince my men that the prospect's objections—and the principal one, of course, is 'No'—is not necessarily a rejection of what the agent has to offer. Ofttimes it is simply a reflection of the prospect's character or his particular temperament. He may be disgruntled on that particular day; he may be the discourteous type who has not the patience to listen, or he may be the suave, courteous man who gives the impression that he knows exactly what he wants and states in a very free manner that he is trying to conserve your time and his own by telling you in four simple words, 'I am not interested'."

"I tell my salesmen that the way to deal with this type of individual is to say after he has made this statement that you are not at all surprised because, in the first place, he has not had the opportunity to know what you are going to tell him, and secondly, he can scarcely be expected to be interested in something about which he knows little or nothing. Surely he will at least have to acknowledge the truth of this statement."

Uses Opening Remarks as Basis of Approach

"When the agent has mastered the technique of getting around this 'I am not interested' objection, he will find that instead of registering fear and retreating in confusion, he will welcome contact with prospects whose opening remarks are intended to close the interview."

"So much for the greatest hazard in life insurance selling; now for the greatest asset in the business—enthusiasm for selling. By this I do not mean that the agent should become over-excited and make a lot of extravagant gestures such as resorting to high-pressure methods or over-emphasis. The agent should go about his business in a quiet, forceful, sincere manner. Enthusiasm stirs the mind and helps to develop new ideas. Good arguments flood into the mind in the white heat of enthusiasm, which to my mind is comprised largely of earnestness and sincerity. It is impossible to simulate enthusiasm realistically; the agent must feel it by reason of being thoroughly sold on life insurance, on his company and its methods, and above all, on himself."

"It is axiomatic that like attracts like. A smile engenders a smile. Indifference

SALES IDEAS OF THE WEEK

Hedges Gives Movie Pass with Birthday Greetings

KANSAS CITY—One of those "natural" ideas which crop up once in a long while now is being used by the Herbert A. Hedges agency of the Equitable Life of Iowa here. Birthday greetings to prospects long have been a successful method of building contacts and getting business, and have been used by most agents. Mr. Hedges has given the idea fresh vitality by arranging with Fox Midwest Theaters in Kansas City to enclose a movie pass with each greeting.

The name "Herbert A. Hedges" is superimposed on the pass, which is separate from the greeting by the individual agent. The pass reads: "Birthday Greetings . . . Through the Courtesy of the Fox Kansas City Theaters This Card Will Admit You to Either the . . ."—the theaters named being one, two or three in the prospect's neighborhood. Fox operates over 10 of the leading suburban movie houses in Kansas City.

A good will builder, the idea will grow in effectiveness the longer it is used. The pass costs the agent nothing, because it is a good will builder for the theaters also. It is good for one person at one performance, which means that the theaters will get other business as a direct result, since very few people go to the movies alone. So far, the average attendance per pass has been 2 1/4 persons.

Another effect has been to get agents to remember the birthdays of their prospects, and the number of birthdays in the files of Equitable agents has increased. Mr. Hedges has been using the idea about three months.

Ted Hussey, general agent of the Equitable of Iowa at Topeka, Kan., made similar arrangements with theaters there shortly after Mr. Hedges inaugurated the plan. Equitable of Iowa agents at Columbia, Mo., are also using the idea.

breeds indifference, and by the same token enthusiasm is contagious. I believe that the true secret of success lies to a great extent in the power of suggestion, properly used, and I try very hard to instill this idea into the minds of my underwriters."

Test Out Approach

Two insurance salesmen who had argued about the value of the indirect and direct approach, went out together to prove their contentions. The salesman who took more time in building up his approach before he revealed that he was selling insurance usually talked longer to the prospect than the one who introduced himself as an insurance salesman. Although the latter had shorter audiences with those who were not interested, he consumed less time in making calls. In the end they both had approximately the same sales volume.

A certain successful producer says that the strongest approach in the world is: "I understand you have a son eleven years old. I want to talk to you about him." And then this salesman adds, "I have never yet found a prospect, who stopped me on that approach."—Boston App-A-Weekly.

The best tonic for the blues—just another application.

Makes Don Herold Behave

In a recent issue of "Scribner's" Don Herold, noted artist and writer, pays tribute to life insurance:

Life insurance makes me behave.

I like it.

It is the only thing I have found which keeps me from being a little boy with my money . . . which makes me salt away a little salt systematically instead of waking up every day with some new get-rich whim.

It is an argument with myself which I have won forever. I talked it all out with myself when I applied for my policies, and that's that.

When a premium notice comes, it chafes a little, of course, but I don't have to debate whether I'm going to pay it or take a trip or buy a new car or invest in Uncle Henry's new patent gutta-percha auto fenders.

I pay the insurance premium.

My insurance is a type which will give me all or most of my money back in a few years—some of it more than

all—so I figure that the insurance factor of my life insurance is velvet.

I also figure the discipline is free. I mean, I don't have to pay anybody a fee to keep me on my insurance-saving schedule.

Why don't I get weak-kneed and quit?

Largely because I've enough at stake in my insurance program to make me want to stick. I'm loath to leave off the protection it gives my family. I like the financial backbone it gives me. I know I can be silly about a lot of things, but that if I hang onto my insurance I'll be on safe ground at 55 or 60.

I'm looking forward to fun in my later years—golf balls all over the place, trips, hundreds of books to read, and a good deal of just sittin' and thinkin'.

And I like the thought that if I slip in the bathtub and kill myself tomorrow I am automatically a fairly rich man.

No, nobody can upset my life insurance plan. It's my buddy.



HOTEL SHIRLEY- SAVOY

The ideal stopping place for visitors to Denver, the vacation capital of America. All the wonders of the Rockies only a few minutes away. Comfortable rooms, moderate rates. Fine food in the Air-Conditioned Coffee Shop and Cafe—also Shirley Tavern . . . Drive your car right into the SHIRLEY GARAGE.



400 ROOMS From \$2



J. EDGAR SMITH . . . President
IKE WALTON . Mng. Director
ED C. BENNETT . . . Manager
BROADWAY AT 17TH

DENVER

WHAT'S NEW IN NEW YORK

• Recent guests of the Hotel McAlpin know all about its big, new rooms, so smartly decorated, so luxuriously furnished, bright, cheerful, restful.

Hotel McAlpin retains its great popularity because it maintains its immaculate accommodations, provides every modern comfort, performs fine service—and keeps its rates low.

ROOMS with BATH from **\$250**

HOTEL M^cALPIN

Under Knott Management
John J. Woelfle, Mgr.

"The Center of Convenience"

BROADWAY at 34th STREET, NEW YORK, N. Y.

SALES RECORDS

Berkshire Life—July production was ahead of the same month a year ago by 84.3 percent, thanks to the special campaign that month, which was one of the most successful ever conducted by Berkshire. With the excellent July record, the company's loss for the year has been reduced to 6.7 percent. James B. O'Brien, Albany general agent, was chairman of the campaign. He sent out a series of daily bulletins that excited much interest and were stimulating. July was the largest paid month since August, 1935.

Assisting Mr. O'Brien as subchairmen were: W. H. Boireau, Boston; William Carroll, New York; W. R. Furey, Pittsburgh, and B. C. Howes, Chicago.

Connecticut Mutual—July paid-for was \$7,225,206, gain 6.4 percent over July, 1937. Insurance in force gained \$1,993,326 in the month. New paid-for business for the year is \$51,279,993. Total insurance in force for this year is \$16,017,758 over 1937.

Bankers Life of Iowa—Net issued and paid-for business for the first seven months was off 18 percent as compared with the first seven months of 1937.

Provident Life & Accident—Gains, exceeding even those registered the first half of the golden jubilee year of 1937, were made the first six months, the total premium income for all departments exceeding that for the first half of last year by \$118,000, a 3.2 percent increase. The life department recorded a 10 percent increase in premium collections, and a gain of more than \$3,000,000 in ordinary insurance in force. The accident department's gain was likewise noteworthy, reaching 8.5 percent. In spite of widespread conditions mitigating against increases, the railroad department ended the first half of the year with a total premium income 2 percent ahead of that for the corresponding period of 1937. The group department, likewise facing difficult situations, held premium total within a very few points of the outstanding mark set by the middle of last year. Total surplus shows a substantial increase. Mortality and claim ratio for the period were favorable. A substantial increase in benefit payments to policyholders was reported, the total reaching approximately \$2,000,000 for the period.

Confederation Life—New business for the first six months was 11 percent ahead of 1937. June production was the best of any months since 1931. Insurance in force at the end of June was \$418,286,726—a new high mark.

Mutual Life of New York—Has released figures showing total initial paid new business for six months of \$120,200,431. This compares with \$135,920,517 for the corresponding period of 1937. The percentage showing comparative production for the first six months indicates 1938 is 88.4 percent of 1937 as compared with the Life Insurance Sales Research Bureau's estimate of 78 percent for all companies.

Jefferson Standard Life—In the semi-annual report President Julian Price states that the assets have increased \$3,213,978 during the six months, bringing the total to \$76,485,000. The insurance in force has increased more than \$5,000,000, bringing the total to more than \$376,000,000. More than \$3,000,000 was paid to policyholders since Jan. 1, bringing that total up to \$103,000,000. The mortality rate was 49 percent.

Sunset Life—Has completed its first year in business, confining its operation to the state of Washington and writing \$8,160,000 of life insurance. June production showed \$1,600,000 of new life business.

Minnesota Mutual Life—Has reached a new all-time high in business in force, \$218,500,000. The previous high was \$217,000,000 but during the 1932-35 depression the total dropped below \$200,

000,000. The past two years it has been steadily rising and the first six months business in force gained \$5,700,000. New paid-for business was 15 percent above last year.

Pilot Life—Reports largest July in its history, the largest volume in any one month since the spring of 1937, and one of the largest monthly productions on record. Ordinary applications sold in the closing days of July and reaching the home office Aug. 1 amounted to \$450,750, the largest volume on record. An intensive campaign was staged in July in honor of the Pilot's 35th anniversary. Insurance in force is now \$125,246,349, with assets of \$18,800,000.

Continental American Life—July business hit an all-time high for the month, being 48 percent ahead of July, 1937, and 4 percent more than July, 1930, the previous high mark. Paid business for the first seven months is 16 percent ahead of the same period last year, every month of this year having exceeded the corresponding month of 1937.

O. D. Douglas, Lincoln National Life, San Antonio, Tex.—Led all agencies of the company in the United States in paid for business first six months. The Texas agency showed a 57 percent increase in paid business for the six months.

De Forest-Marquis Bowman general agency Bankers Life of Iowa, Chicago—July delivered business about 25 percent ahead of same month last year.

S. D. Krueger, Equitable Society, St. Paul—Reports July paid business the largest in any July in its history and the largest month in paid-for business since January, 1935. The total for the month was \$1,003,000.

Morton & Morton, Connecticut Mutual Life, St. Louis—Set new record for July in production of paid-for life insurance and annuities, with 93 percent gain over July, 1937.

Reviews Rating Tests, Contests and Bulletins

SAN ANTONIO, TEX.—The San Antonio Life Managers Club at its last meeting heard the completion of a report by President J. N. Fletcher on the Research Bureau school which he attended in Chicago. He reviewed the results of rating tests concerning qualifications of men as to probability of success. He touched on agency contests, stating that a point basis which takes into consideration the various sales elements does more for an agency than a contest based on one phase of sales work.

The agency bulletin, Mr. Fletcher indicated, should be issued regularly under the direction of the agency manager or someone who has the responsibility for its regular appearance. In it, he pointed out, the manager or general agent may give recognition to individual agents and show the standing of the agency. Morale was shown as the vital factor in any agency. It was pointed out that morale within the agency has a direct bearing on the problem of recruiting because men are attracted to an agency where the force is happy and successful. The importance of keeping in close touch with the men and their problems was urged as a means of reducing turnover and improving the morale.

Colorado Group Ends Season

DENVER—The Colorado Association of Life Agency Managers, John Andrews, president, held its final meet until September. New membership drives were planned, and legislative activities of the past season reviewed. The association is almost twice as large as a year ago.

Complete financial data, policy facts, rates and values in the 1938 **Unique Manual-Digest**. \$5. National Underwriter.

RECENT COURT DECISIONS

Carbon Monoxide Decision

Prudential Must Pay Double Indemnity Because Scarlet Blotches Were on Body of Assured

Double indemnity must be paid for death caused by carbon monoxide poisoning, according to the United States circuit court of appeals for the seventh circuit (Illinois) in *Warbende vs. Prudential*.

The insured's body was found in the garage at the rear of his automobile and about two feet from the exhaust pipe in a sitting posture. The facts, according to the higher court, do not compel the inference that the insured deliberately inhaled the exhaust fumes to end his life. There was sufficient evidence to create a question of fact for the jury on the issue of accidental death or suicide.

Scarlet Blotches on Body

There were scarlet blotches on the skin of the face and on the trunk and extremities of the body. These were characteristic of carbon monoxide poisoning. Prudential contended that these blotches were not contusions or wounds within the meaning of those words as used in the policy. Although "contusion" suggests an injury which is the result of the impact of a blow upon the exterior of the body, according to the higher court, for the purpose of the present inquiry the meaning cannot be so restricted. The court expressed belief that "visible contusion," as used in the policy, includes any morbid change in, or injury to, either the subcutaneous tissue, or the skin, which produces markings or discolorations that are visible upon the exterior of the body. It is not material whether the "visible contusion" results directly from the operation of the "means" upon the exterior of the body, or indirectly from internal injuries which are effected by the action of the "means."

Autopsy Not Necessary

According to the court, the policy means that if there are internal injuries which cause death, it is immaterial whether there be a visible contusion or wound upon the exterior of the body. But if there is a visible contusion or wound on the exterior of the body which evidences "the means," it is immaterial whether "internal injuries" be revealed by an autopsy or by other satisfactory evidence. Accordingly it is not material in the present case whether there was proof of an autopsy.

Accumulated Dividends Go to Estate, Not Beneficiary

Dividends accumulated under a policy that was issued in 1905 are the property of the insured and become part of his estate at the time of his death, according to the New York appellate division, first department, in *Phoenix Mutual Life vs. Felig et al.* In so holding, the court decided that the dividends aggregating \$3,724 should go to the administrator rather than to the policy beneficiary.

The policies were fully paid up in 1925. The beneficiary contended that the dividends should be paid to the beneficiary because of the provisions of section 55-a of the New York insurance law. That statute, the court observed, did not take effect until 1927. Section 55-a has no application to the dividends involved in this case. They were accumulated under a contract made before the passage of that law. The contract provisions prevail and the dividends are to be paid to the estate of the insured.

Reinstatement Was Effectuated

Court Says Insurer Must Indicate Kind of Evidence That Meets Insurability Requirement

The Pennsylvania supreme court, eastern district, has decided against State Mutual Life in a case involving the reinstatement issue. The case was *Smith vs. State Mutual*.

The policy lapsed for nonpayment of premium that was due on May 15, 1933. On July 12 of that year the assured applied for reinstatement at the Philadelphia office of State Mutual. He signed an application and gave his check for the overdue premium. The check was deposited and paid by the bank on July 13. On that same day the State Mutual general agent in Philadelphia sent a notice of payment of the premium to the home office and forwarded a receipt to the assured. Shortly thereafter the assured received from State Mutual a premium notice calling for payment on Aug. 15. Either on Aug. 1 or Aug. 14 State Mutual notified the assured that his application for reinstatement had been rejected and it attempted to refund the premium paid on July 12. The return of this premium was refused and the assured tendered payment of the next quarterly premium. The check was not accepted. The assured died April 13, 1935.

Duty Upon Company

The court stated that the applicant for reinstatement must furnish such evidence that he is an insurable risk as the company may reasonably and in good faith require. At the same time the reinstatement clause imposes a related duty upon the company to indicate the character of evidence which it will regard as meeting the test of satisfactory insurability. Until such information is received from the company and not before does it become the obligation of the policyholder to produce such evidence. In the present case no request was made for evidence of the health of the assured. The premium receipt set forth that the policy was continued in force for three months from May 15. To submit to the jury the questions of waiver and reinstatement is the most that State Mutual is entitled to in view of the almost persuasive fact that it executed and delivered a contract for the continuance of the policy, and it is now seeking to give a meaning to the instrument which is inconsistent with the terms expressed upon its face. If State Mutual had intended that the acceptance of the overdue premium and the delivery of the receipt were conditional only, it did nothing to avoid the implication that it was an absolute reinstatement.

Since the present policy is incontestable, except for nonpayment of premium, the defense of fraud is not now available to State Mutual. The insurer had the full period of one year from the date of the reinstatement within which to investigate the condition of health of the assured and to ascertain whether there had been fraudulent misrepresentation in procuring the revival of the policy.

Wife Loses Fight Against Assignee for Proceeds

The Massachusetts supreme judicial court has held against the beneficiary in connection with policies amounting to \$21,979 and has decided that the funds shall go to Samuel Cabot, Inc., to whom the policies had been assigned. The case was *Finegan vs. Prudential et al.*

By assignment of the policies in which the beneficiary and the insured joined, Cabot's rights in the policies would pass

to the assignee to the extent fixed by the assignment.

The written assignments, admittedly signed by the beneficiary, in the possession of Cabot, named as assignee, were prima facie evidence of delivery with an intention on the part of the beneficiary that such assignment should be operative according to their terms. There was no evidence that the original assignments were delivered to Cabot in violation of any of the beneficiary's rights.

According to the terms of the assignments, the interest of Cabot in the John C. Finegan Company is the interest "which may appear," obviously meaning such interest determined as of the date of the death of the insured, when the policies were to be paid. Even if as a result of the agreement embodied in the memorandum of the agreement, the interest of Cabot in the John C. Finegan Company was enlarged after the assignments by the beneficiary, the binding effect of such assignments was not destroyed.

The interest of Cabot in the John C. Finegan Company within the meaning of the assignments, was not destroyed by the bankruptcy of that company, or its dissolution.

Answer Knowingly False, So Insurance Is Avoided

It is not incumbent upon the insurer to prove a conscious purpose to deceive on the part of the insured when he gave an untrue answer in the application to the question whether he had ever been declined for insurance. The representations were material as a matter of law and it was sufficient for the insurer to prove that they were knowingly false. This was the opinion of the United States circuit court of appeals for the tenth circuit (Kansas) in reversing judgment and remanding the case of *Columbian National Life vs. Rodgers* with instructions to grant *Columbian National* a new trial.

It turns out that the assured had applied unsuccessfully to the John Hancock for insurance ten months before the *Columbian National* policy was issued.

Refuses to Force Issuance of Duplicate Policy

The Tennessee supreme court has declined to compel the New York Life to issue to an assured a duplicate policy with changed beneficiary where the estranged wife, who was named as beneficiary, left the state and refuses to give up the policy which she has in her possession. The case was *Edwards vs. New York Life et al.*

While the record indicates that Edwards has not made any written assignment of his rights or interest in the policy, it appears that his wife is claiming some sort of fixed or vested interest in it. New York Life insisted that a decree in the case, to which Mrs. Edwards is not a party, to the effect that she had no rights in the policy would be no protection to it in another jurisdiction in which she might thereafter assert such rights.

The court held that the contention of New York Life is well made. The policy is beyond jurisdiction of the Tennessee court, which could not compel Mrs. Edwards to surrender the policy. Nor could the court pass any decree cancelling the policy that would be effective to cut off her rights thereunder.

The court refers to the policy provision "any assignment of this policy must be made in duplicate and one copy filed with the company at its home office." However, the court said, various equities may have arisen in favor of the

Bank Can't Offset Surrender Value Against Deposits

Under decision of the Nebraska supreme court, Omaha National Bank is not permitted to offset against a bank deposit of the old Missouri State Life the cash value of two Missouri State policies that were owned by the bank. The case is *General American Life vs. Omaha National Bank*.

Missouri State had a deposit of \$1,364 in Omaha National Bank.

On Aug. 29, 1933, the cashier of Omaha National Bank wrote the Missouri insurance superintendent that the bank was the owner of two policies and demanded payment of the cash surrender value. The bank paid premiums on the policies to General American Life after Aug. 28. One policy did not lapse for nonpayment of premium until April 23, 1935, and the other not until Oct. 21, 1934. At the time of the lapsing they were placed on extended insurance by General American, as provided in the policies. This fact was unknown to the officers of Omaha National Bank until after the litigation was commenced. The officers of the bank did not know that its clerks had paid the premium until after the action was commenced.

At the time the policies lapsed, the court observed, there was no demand for the cash surrender value. The policy provided that the cash surrender value could not be claimed before a default or failure to pay a premium. The bank failed to conform to the conditions required by the insurer.

wife against which the provision would afford no protection to New York Life. If the company ignored notices that it had received from Mrs. Edwards and undertook to cancel the policy, even under order of court, before which court she had not appeared, it is probable that the company would have to respond to its policy obligations twice.

Infants Can't Make Election

The New York supreme court, special term Bronx county, has held in favor of Guardian Life in an action brought in behalf of infants to have the proceeds of policies retained by Guardian Life at interest until the infants attain majority. The case was *Latterman et al vs. Guardian Life*. Guardian Life was willing to pay over the full proceeds of the policy.

The assured had failed to exercise his right of election of any of the optional methods of settlement. The policy provides that the election may be made by the person entitled to receive the proceeds. However, the election exercised on behalf of the infants, who are entitled to demand the proceeds in full, amounts to an investment. It would result in Guardian Life retaining the proceeds at 3 percent interest. Such an investment of infant's funds is not permitted under section 111 of the decedent estate law.

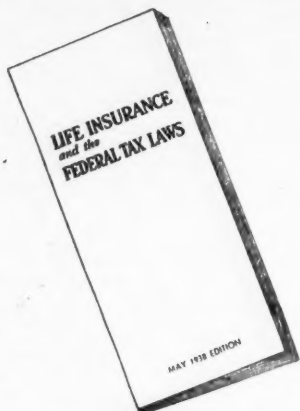
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